

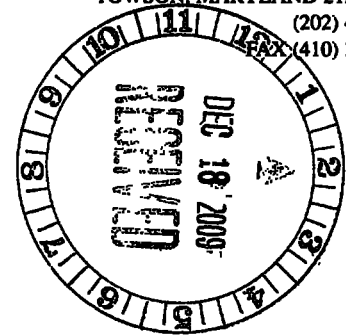
**LAW OFFICES OF  
LOUIS E. GITOMER**

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226/88  
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December 18, 2009

Cynthia T. Brown  
Chief of the Section of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D. C. 20423



RE: Docket No. AB-55 (Sub-No. 698X), *CSX Transportation, Inc.—  
Discontinuance of Service Exemption—in Clark, Floyd, Lawrence, Orange,  
and Washington Counties, IN*

Dear Ms. Brown:

Enclosed are the original and 10 copies of a Petition for Exemption for abandonment in the above-entitled proceeding and a filing fee of \$6,400. Exhibit H of the Petition contains color Exhibits. Also enclosed is a computer diskette containing the Petition in Word and pdf format.

Please time and date stamp the additional copy of this letter and the Petition and return them with our messenger. Thank you for your assistance.

If you have any questions please call or email me.

**ENTERED**  
Office of Proceedings  
DEC 18 2009  
Part of  
Public Record

Sincerely yours

Louis E. Gitomer  
Attorney for: CSX Transportation, Inc.

**FILED**  
DEC 18 2009  
SURFACE  
TRANSPORTATION BOARD

Enclosures

**FEE RECEIVED**  
DEC 18 2009  
SURFACE  
TRANSPORTATION BOARD

226188

BEFORE THE  
SURFACE TRANSPORTATION BOARD

Docket No. AB-55 (Sub-No. 698X)



CSX TRANSPORTATION, INC.-DISCONTINUANCE OF SERVICE EXEMPTION-  
IN CLARK, FLOYD, LAWRENCE, ORANGE, AND WASHINGTON COUNTIES, IN

PETITION FOR EXEMPTION

**FILED**  
DEC 18 2009  
SURFACE  
TRANSPORTATION BOARD

ENTERED  
Office of Proceedings  
DEC 18 2009  
Part of  
Public Record

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(202) 466-6532

Attorneys for: CSX TRANSPORTATION,  
INC.

Dated: December 18, 2009

**FEE RECEIVED**  
DEC 18 2009  
SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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Docket No. AB-55 (Sub-No. 698X)

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CSX TRANSPORTATION, INC.– DISCONTINUANCE OF SERVICE EXEMPTION–  
IN CLARK, FLOYD, LAWRENCE, ORANGE, AND WASHINGTON COUNTIES, IN

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PETITION FOR EXEMPTION

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CSX Transportation, Inc. (“CSXT”) petitions the Surface Transportation Board (the “Board”) to exempt, under 49 U.S.C. §10502, CSXT’s discontinuance of service over a 62.3-mile rail line on its Northern Region, Louisville Division, Hoosier Subdivision between near Bedford, milepost 00Q 251.7, and near New Albany, milepost 00Q 314.0, all in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN (the “Line”), from the prior approval requirements of 49 U.S.C. §10903.

CSXT is seeking to discontinue service over the Line so that it will not have to provide service over the Line and thereby avoid the costs for operating and maintaining the Line. CSXT will not remove the track and material from the Line. CSXT recognizes that it will have to seek authorization from the Board if it decides to abandon the Line in order to remove the track and material. If CSXT seeks and obtains future authorization from the Board to abandon the Line, CSXT will comply with any conditions imposed by the Board before it removes the track and material from the Line. CSXT is balancing its need to reduce costs with the opportunity for the southern Indiana community to plan for and generate rail business to justify the cost of operating and investing in the Line.

Discontinuance of service will allow CSXT to avoid costs incurred by continued operation of the Line, while preserving the ability of CSXT to reinstitute service over the Line if future business will support the operation. There is one active local shipper on the Line. The Line had been economically viable because CSXT's overhead traffic and the overhead trackage rights of the The Indiana Rail Road Company ("INRD") allowed CSXT and INRD to share the costs.<sup>1</sup> Traffic originating on the Line has fallen precipitously since 2003. CSXT rerouted its traffic in 2007. As of July 2009, INRD has rerouted its traffic over another rail line. Without the INRD trackage rights traffic on the Line, there is insufficient revenue to cover the costs that CSXT incurs. By discontinuing service over the Line, CSXT expects to avoid annual losses of about \$310,199, which would require a cross-subsidy from other shippers using CSXT.

### **PROPOSED TRANSACTION**

CSXT proposes to discontinue service over a 62.3-mile rail line on its Northern Region, Louisville Division, Hoosier Subdivision between near Bedford, milepost 00Q 251.7, and near New Albany, milepost 00Q 314.0, all in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN. The Line traverses Zip Codes 47150, 47172, 47106, 47143, 47165, 47167, 47108, 47452, 47446, and 47421. The Line serves the stations of Orleans, milepost 00Q 262, Leipsic, milepost 00Q 267, Campbellsburg, milepost 00Q 273, Salem, milepost 00Q284, Pekin, milepost 00Q 295, and Borden, milepost 00Q 300. A colored map of the Line is attached as Exhibit A. Exhibit B consists of the Environmental Report and Exhibit C consists of the Historic Report. The draft Federal Register Notice is in Exhibit D, and copies of the newspaper publication and

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<sup>1</sup> INRD is a subsidiary of CSXT. See *CSX Corporation and CSX Transportation, Inc.—Control—The Indiana Rail Road Company*, STB Finance Docket No. 32892 (STB served November 7, 1996).



the required certification are in Exhibit E. A verified statement from Ms. Ellen M. Preslar is in Exhibit F. The certificate of service is in Exhibit G.

Based on information in CSXT's possession, the Line does not contain federally granted right-of-way. Any documentation in CSXT's possession concerning title will be made available to those requesting it.

## **BACKGROUND**

The 62.3-mile Line is located in rural southern Indiana. There is only one active shipper located on the Line, L. Thorn Company, Inc. ("Thorn"), at milepost 00Q310.8. Until July 2009, there was also overhead traffic on the Line generated by INRD's trackage rights. *See The Indiana Rail Road Company-Acquisition-Soo Line Railroad Company*, STB Finance Docket No. 34783 (STB served April 11, 2006), where INRD acquired overhead trackage rights over the Line from the Soo Line Railroad Company (the "Soo Line").<sup>2</sup>

Thorn is located at 600 Grant Line Road in New Albany, IN 47151, near the southern end of the Line. Thorn is a manufacturer and distributor of brick, stone, and concrete masonry units. Traffic from Thorn has fallen precipitously in the past three years. Thorn shipped 17 carloads in 2007, three carloads in 2008, and no carloads to date in 2009. In addition to rail service, Thorn ships via truck and truck-rail trans-load. Thorn has access to 10 local trucking companies that

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<sup>2</sup> CSXT understands that INRD has filed a Petition for Exemption seeking to abandon its 22.80-mile line between east of Crane, IN, milepost 241.35, and Bedford, IN, milepost 262.50, and 1.65-mile branch off of the Crane-Bedford line near Bedford. *See The Indiana Rail Road Company-Abandonment Exemption-Martin and Lawrence Counties, IN*, STB Docket No. AB-295 (Sub-No. 7X), filed December 7, 2009. The abandonment filed by INRD is north of the Line and only connects to the Line via INRD trackage rights on a 6.7-mile line segment over which CSXT has discontinued service and has abandonment authority once INRD's trackage rights are discontinued. *See CSX Transportation, Inc. – Abandonment and Discontinuance Exemption – In Lawrence County, IN*, Docket No. AB-55 (Sub-No. 495X) (ICC served January 17, 1995).

are located within 10 miles of the Thorn facility, as well as numerous national trucking companies.

The Interstate Commerce Commission ordered the Louisville and Nashville Railroad Company (the “L&N”), a predecessor of CSXT, to grant 71.77 miles of trackage rights between Bedford and New Albany, IN to the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a predecessor to Soo Line, as a condition to the merger of the Monon Railroad into the L&N. *Louisville & N. R. Co.-Merger-Monon Railroad*, 338 I.C.C. 134, 185-186 (1970). INRD operated five trains per week over the Line pursuant to the trackage rights. Under the trackage rights agreement, INRD was responsible for maintenance costs based on the usage of the Line. Since CSXT had very little traffic on the Line, INRD was the substantial user of the Line and contributor to the maintenance costs of the Line. As shown in Exhibit 1 to Ms. Preslar’s Verified Statement, in the Base Year ending June 30, 2009, of the \$971,733 in total revenue attributable earned by the Line, INRD paid \$965,964 for its overhead use of the Line under the trackage rights.

As of July 2009, INRD rerouted its five trains per week from the Line on to a line of the Louisville & Indiana Railroad Company (“LIRC”). CSXT understands that INRD’s reroute is currently being conducted pursuant to a haulage arrangement and that INRD is negotiating trackage rights with LIRC.

Another reason that CSXT is only seeking discontinuance of service over the line is that CSXT recognizes that it cannot abandon the Line until INRD discontinues service under the trackage rights it was granted over the Line.

**A. Traffic has substantially diminished over the Line.**

In 2003, CSXT was providing regular service over the Line, operating overhead traffic on the Line, Thorn was shipping 166 carloads per year, and Soo Line was operating overhead traffic on the Line. In 2008, CSXT was providing as needed service on the Line to serve the three carloads being shipped by Thorn, CSXT had rerouted its overhead traffic, and INRD was operating five trains per week in overhead service on the Line pursuant to the trackage rights. In 2009, Thorn has not shipped any cars to date, CSXT continues to reroute its overhead traffic, and INRD has rerouted the traffic that moved under trackage rights. There is now no traffic on the Line. The three carloads of traffic projected in the Forecast year are certainly not enough to support the cost of serving Thorn, much less the continued maintenance of the Line.

**B. Continued operation of the Line will result in losses for CSXT.**

Ms. Preslar has prepared abandonment Exhibit 1 in numerous proceedings before the Board. In Exhibit 1 to her verified statement, Ms. Preslar prepared an analysis of revenues and costs for the Line for the Base Year ending June 30, 2009, the Forecast Year beginning December 1, 2009, and the Subsidy Year ending December 31, 2010.<sup>3</sup> For the Base Year, which included revenue for the overhead traffic from the INRD trackage rights, CSXT earned \$35,341. However, in the Forecast Year, with only the three carloads from Thorn and no overhead traffic from INRD, CSXT would incur an avoidable loss of \$310,199.<sup>4</sup> The Subsidy Year loss is projected to be \$961,143.

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<sup>3</sup> In developing the costs for the Line, Ms. Preslar used a conservative per mile maintenance cost of \$5,000. The Board has accepted a \$5,000 per mile maintenance cost for many years. *See CSX Transportation, Inc.-Abandonment-in Atkinson and Ware Counties, GA*, STB Docket No. AB-55 (Sub-No. 640) (STB served December 24, 2003).

<sup>4</sup> CSXT did not include an opportunity cost for the Forecast Year since it is seeking to discontinue service. However, CSXT did calculate the opportunity cost for the Subsidy Year. Using the opportunity cost from the Subsidy Year in the Forecast Year would have increased the burden of continued operation of the Line on CSXT by \$650,920.

Because Thorn is located near the southern terminus of the Line, Ms. Preslar also prepared a bifurcated Forecast Year analysis for the Line. Ms. Preslar used milepost 00Q 310.8 as the point of bifurcation. The 59.1-mile portion of the Line north of milepost 00Q310.8 did not generate any revenue and had an annual projected avoidable loss of \$295,000. South of milepost 00Q 310.8, Ms. Preslar calculated the revenues and costs of that 3.2-mile portion of the Line. The Thorn traffic generated \$5,884 in revenue. However operation of the 3.2-mile resulted in \$16,841 in on-branch costs and \$4,242 in off-branch costs, for a Forecast Year avoidable loss of \$15,199 for the southern segment.

CSXT has met with local officials and businesses concerning the discontinuance of service over the Line. As can be seen in the responses to the Environmental Report, there is concern about a future abandonment of the Line. One of the concerned parties has been the Lehigh Cement Company located at 121 North 1<sup>st</sup> Street, Mitchell, IN 47446. Lehigh Cement is not located on the Line, is not served by the Line, and has not shipped using the Line. Instead, Lehigh Cement is served by CSXT's east-west line that also runs through Mitchell, IN. Lehigh Cement has expressed concern that CSXT should retain the Line to provide routing alternatives. The east-west line runs between Cincinnati, OH and East St. Louis, IL, and provides more alternate routes than the Line. The lack of use of the Line by Lehigh Cement, the losses incurred by the Line, and the alternate routes available to Lehigh Cement over the east-west line demonstrate that the discontinuance will result in no harm to Lehigh Cement, especially compared to the harm that CSXT will incur from its avoidable losses on the Line. In addition, CSXT is only discontinuing service on the Line. Were Lehigh Cement to generate enough traffic for CSXT to earn a long term return on its investment in the Line, CSXT would return the Line

to service. CSXT does not believe that Lehigh Cement will be able to demonstrate greater harm from the discontinuance than that which CSXT will incur through continuing avoidable losses.

**C. CSXT will incur costs to maintain the Line.**

The Line is 62.3 miles in length. CSXT will continue to incur inspection and maintenance costs for the Line if service is not discontinued. Ms. Preslar has calculated the maintenance costs to be \$310,000 for the Line, \$295,000 for the northern 59.1 miles, and \$15,000 for the southern 3.2 miles. Recent local traffic on the Line has not generated enough revenue to cover the maintenance costs on the southern segment, much less the remainder of the Line.

**D. Summary.**

Continued operation of the Line by CSXT will create a burden on CSXT and interstate commerce. There is no traffic on the Line to offset maintenance costs. There is no CSXT overhead traffic on the Line, and INRD no longer uses the Line for overhead traffic pursuant to its trackage rights. Thorn has not used the Line in 2009 to date, and used it only to ship three carloads in 2008. Thorn has access to and has been using motor carrier service to move its product. Lehigh Cement is not located on the Line and will continue to have access to the CSXT main line between Cincinnati and East St. Louis to move its product. In the Forecast Year, CSXT will incur an avoidable loss of \$310,199.

CSXT contends that in balancing the harm to itself and interstate commerce against the absence of harm to shippers and local interests, the balance clearly favors the discontinuance of service.

**ARGUMENT SUPPORTING THE DISCONTINUANCE OF SERVICE**

CSXT seeks an exemption under 49 U.S.C. § 10502 from the applicable requirements of 49 U.S.C. §10903 in order to discontinue service over the Line.

Under 49 U.S.C. §10502, the Board must exempt a transaction from regulation when it finds that:

(1) regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. § 10101; and

(2) either:

(a) the transaction is of limited scope, or

(b) regulation is not necessary to protect shippers from the abuse of market power.

The legislative history of Section 10502 reveals a clear Congressional intent that the Board should liberally use its exemption authority to free certain transactions from the administrative and financial costs associated with continued regulation. In enacting the Staggers Rail Act of 1980, Pub. L. No. 96-488, 94 Stat. 1895, Congress encouraged the Board's predecessor agency to liberally use the expanded exemption authority under former Section 10505:

The policy underlying this provision is that while Congress has been able to identify broad areas of commerce where reduced regulation is clearly warranted, the Commission is more capable through the administrative process of examining specific regulatory provisions and practices not yet addressed by Congress to determine where they can be deregulated consistent with the policies of Congress. The conferees expect that, consistent with the policies of this Act, the Commission will pursue partial and complete exemption from remaining regulation.

H.R. Rep No. 1430, 96 the Cong. 2d Sess. 105 (1980). See also *Exemption From Regulation--Boxcar Traffic*, 367 I.C.C. 424, 428 (1983), vacated and remanded on other grounds, *Brae Corp. v. United States*, 740 F.2d 1023 (D.C. Cir 1984). Congress reaffirmed this policy in the conference report accompanying the ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat.

803, which re-enacted the rail exemption provision as Section 10502. H.R. Rep. No. 422, 104th Cong., 1st Sess. 168-69 (1995).

**A. The Application of 49 U.S.C. §10903 Is Not Necessary to Carry Out the Rail Transportation Policy**

Detailed scrutiny of this transaction is not necessary to carry out the rail transportation policy. An exemption would minimize the unnecessary expense associated with the preparation and filing of a formal discontinuance of service application, expedite regulatory decisions and reduce regulatory barriers to exit. 49 U.S.C. §10101 (2) and (7). Since there has been no local traffic on the Line in 2009 to date, and all overhead traffic has been rerouted, the discontinuance of service by CSXT will result in no loss of rail service. There is no traffic on the Line to cover the costs of maintenance.

Granting this exemption, therefore, fosters sound economic conditions and encourages efficient management by permitting the rationalization of an unnecessary rail line. 49 U.S.C. §10101 (3), (5) and (9). “An exemption would also foster sound economic conditions and encourage efficient management by relieving [the railroad] of the out-of-pocket expenses ... associated with retaining the underutilized line [49 U.S.C. 10101(5) and (9)].”<sup>5</sup>

Other aspects of the rail transportation policy are not adversely affected. For example, competition and the continuation of a sound rail transportation system are not affected since the public will not be deprived of any needed rail services.

Finally, CSXT is not abandoning the Line. It is discontinuing service to reduce the burden on CSXT of at least \$310,199 per year of leaving the Line as an operating line. A

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<sup>5</sup> *Georgia Southwestern Railroad, Inc.—Abandonment and Discontinuance Exemption—in Harris and Meriwether Counties, GA*, STB Docket No. AB-1000 (Sub-No. 1X) (STB served December 10, 2007) at 3.

discontinuance of service will leave the track and assets available to be reactivated. The discontinuance of service also provides the southern Indiana community an opportunity to complete and implement its plans to generate sufficient traffic to generate a profit on the Line so that CSXT can earn a long term return on the Line. CSXT recognizes that it cannot remove the track and material on the Line and abandon the Line until it receives authority from the Board

**B. This Transaction Is Of Limited Scope**

The proposed transaction is of limited scope. CSXT seeks to discontinue service over a 62.3-mile line in five rural counties in Indiana.

**C. This Transaction Will Not Result In An Abuse Of Market Power.**

CSXT is discontinuing service over the Line. There are no active shippers on the Line and no overhead traffic using the Line. The most recent shipper on the Line, Thorn, has access and uses motor carriers to ship its product. The shipper nearest to the Line, Lehigh Cement, will continue to be served by CSXT over a regulated line of railroad.

**ENVIRONMENTAL REPORT**

An Environmental Report is in Exhibit B.

**HISTORIC REPORT**

A Historic Report is in Exhibit C.

**FEDERAL REGISTER NOTICE**

A draft Federal Register notice is attached hereto as Exhibit D.

**LABOR PROTECTION**

The interests of railroad employees of CSXT who may be adversely affected by the proposed discontinuance of service will be adequately protected by the labor protective conditions in *Oregon Short Line R. Co.--Abandonment--Goshen*, 360 I.C.C. 91 (1979).



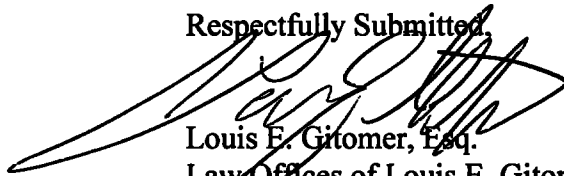
## CONCLUSION

Application of the regulatory requirements and procedures of 49 U.S.C. §10903 to the discontinuance of service over the Line proposed by CSXT is not required to carry out the rail transportation policy set forth in 49 U.S.C. §10101, as previously shown. Nor is Board regulation required to protect shippers from the abuse of market power. Moreover, this discontinuance of service is of limited scope.

Accordingly, CSXT respectfully urges the Board to grant an exemption for the proposed discontinuance of service over the Line.

Steven Armbrust, Esq.  
CSX Transportation, Inc.  
500 Water Street  
Jacksonville, FL 32202  
(904) 359-1229

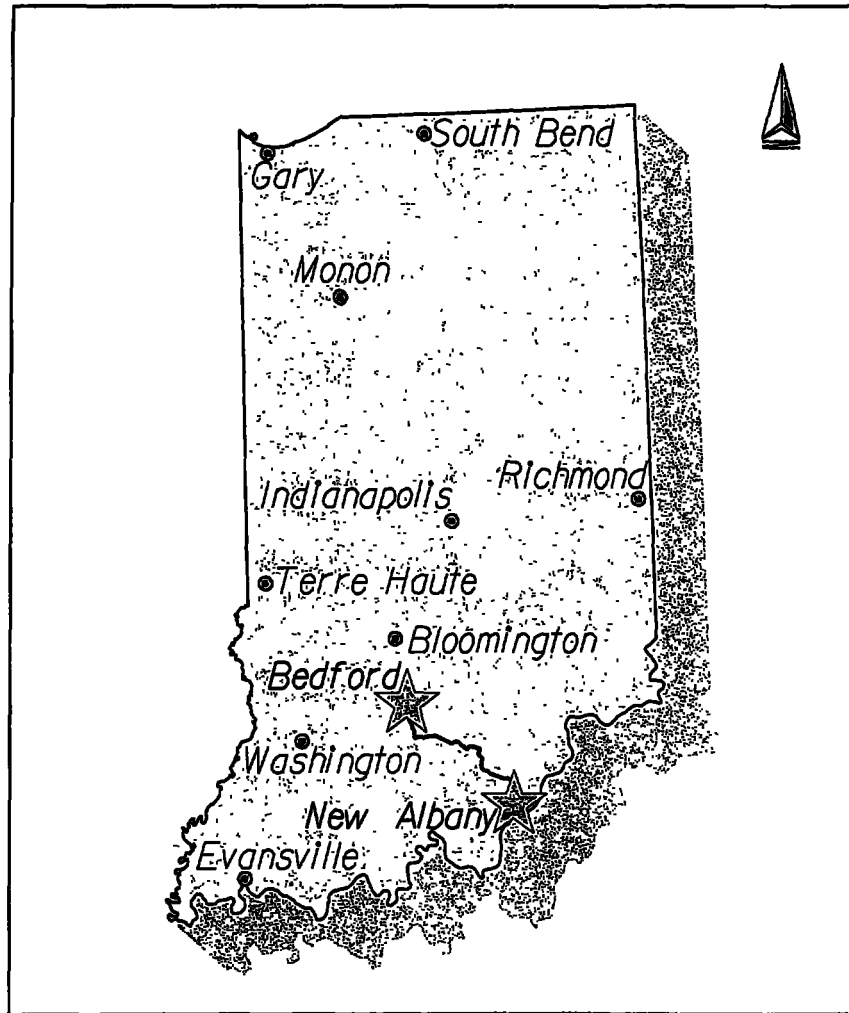
Respectfully Submitted,



Louis E. Gitomer, Esq.  
Law Offices of Louis E. Gitomer  
600 Baltimore Avenue, Suite 301  
Towson, MD 21204  
(202) 466-6532  
Attorneys for: CSX TRANSPORTATION,  
INC.

Dated: December 18, 2009

## **EXHIBIT A-MAP**



### AREA MAP

**Proposed Discontinuance of Service  
on a portion of the Hoosier Subdivision  
00Q 251.7 (Near Bedford) to 00Q 314.0 (Near New Albany)  
a distance of 62.3 Miles +- in  
Clark, Floyd, Lawrence, Orange  
and Washington Counties, Indiana**

Begin Discontinuance of Service  
Hoosier Subdivision - 00Q 251.7

Indiana Subdivision

Bedford

00Q 251.7

Mitchell

00Q 256.0

To Vincennes

Seymour

65

To Cincinnati

Indiana

Hoosier Subdivision

End Discontinuance of Service  
Hoosier Subdivision - 00Q 314.0

00Q 314.0

New Albany

Louisville

**LEGEND**

- CSXT Operating Corridor
- Proposed Transaction
- Total Distance = 62.3 Miles +/-
- Other Railroads
- US Interstates

NORTHERN REGION  
LOUISVILLE DIVISION  
HOOSIER SUBDIVISION:  
00Q 251.7 - 00Q 314.0  
STB Docket No. AB55-698X  
FILE: (IN 15B)

**CSX** TRANSPORTATION

**PROPOSED DISCONTINUANCE OF SERVICE  
HOOSIER SUBDIVISION**

00Q 251.7 to 00Q 314.0

a Distance of 62.3 Miles  
in Clark, Floyd, Orange & Washington  
Counties in Indiana

SCALE: 1"=6 Miles

Revised: July 23, 2009  
Drawn By: L. Fawcett

# **EXHIBIT B—ENVIRONMENTAL REPORT**

## **CERTIFICATE OF SERVICE OF ENVIRONMENTAL REPORT**

Pursuant to the requirements of 49 C.F.R. §1105.7(c) and .11, the undersigned hereby certifies that a copy of the Environmental Report in Docket No. AB-55 (Sub-No. 698X) was mailed via first class mail on November 13, 2009, to the following parties:

Ms. Linda Barksdale  
Floyd County Executive Director  
311 Hauss Square  
New Albany, IN 47150

Mr. Scott Wood  
New Albany City Director  
311 Hauss Square  
New Albany, IN 47150

Ms. Ramona Bagshaw  
Clark County Planning  
Clark County Government Bldg.  
501 E. Court Avenue  
Room B22  
Jeffersonville, IN 47130

Mr. Donald Crockett  
Orange County Commissioner  
205 East Main Street  
Paoli, IN 47454

Mr. Denzil Chisham  
161 E. Price Avenue  
Orleans, IN 47452

Ms. Sarah Bachman  
Washington County Planning  
99 Public Square  
Suite 103  
Salem, IN 47167

Mr. Ronnie Voyles  
City of Salem Planning  
201 E. Market Street  
Suite 104  
Salem, IN 47167

Mr. Gary Nale  
Town Manager  
P. O. Box 310  
Pekin, IN 47165

Mr. Steve Burton  
Bldg Commissioner  
407 South 6<sup>th</sup> Street  
Mitchell, IN 47446

U.S. Environmental Protection Agency  
Region 5  
Attn: Mr. Ken Westlake (B19J)  
77 West Jackson Blvd.  
Chicago, IL 60604

Mr. Paul Higginbotham, Chief  
Indiana Department of Environmental Management  
100 North Senate Street  
Room N1255  
Indianapolis, IN 46204-2222

Mr. Scott Pruitt  
U.S. Fish & Wildlife Commission  
Bloomington Field Office  
620 South Walker Street  
Bloomington, IN 47403

Ms. Susanne Davis, Chief of Planning  
U.S. Army Corps of Engineers  
Chicago District  
111 North Canal Street  
Suite 600  
Chicago, IL 60606-7206

USDA – NRCS  
Corydon Service Center  
1855 Gardner Lane NW  
Corydon, IN 47112-2032

USDA – NRCS  
Salem Service Center  
801 Anson St  
Salem, IN 47167-1952

USDA – NRCS  
Bedford Service Center  
1919 Steven Ave  
Bedford, IN 47421-3534

USDA – NRCS  
Charlestown Service Center  
9608 Highway 62  
Charlestown, IN 47111-9640

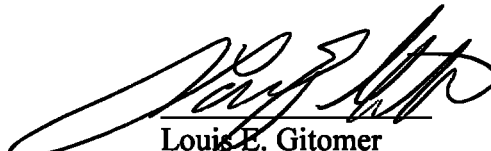
USDA – NRCS  
Paoli Service Center  
573 SE Main St  
Paoli, IN 47454-9720

National Park Service  
Midwest Region  
Regional Director  
601 Riverfront Drive  
Omaha, NE 68102

Indiana Department of Natural Resources  
402 West Washington – Room W264  
Indianapolis, IN 46204-2784

Railroad Section Manager  
Indiana Department of Transportation  
Multimodal Division  
620 South Walker Street  
Bloomington, IN 47403

National Geodetic Service (NOAA) at 'NGS.InfoCenter@noaa.gov' (via email)



Louis E. Gitomer  
December 18, 2009

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# ENVIRONMENTAL REPORT

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**CSX TRANSPORTATION, INC.  
MITCHELL TO NEW ALBANY, in  
CLARK, FLOYD, ORANGE, LAWRENCE and  
WASHINGTON COUNTIES, INDIANA  
DOCKET AB-55 (SUB-NO. 698X)**

The following information is provided in accordance with 49 C.F.R. Section 1105.7:

**(1) PROPOSED ACTION AND ALTERNATIVES**

**Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.**

CSX Transportation, Inc. ("CSXT") proposes to discontinue service over approximately 62.3 miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana (the "Line").

CSXT will not abandon the Line at this time, but rather discontinue service in order to leave the Line in place for potential future use. Discontinuance will permit CSXT to avoid the maintenance and operational expenses on the Line as the revenue generated by the only on-line shipper, L. Thorn Company (Thorn), located at Milepost 00Q 310.8, is insufficient to cover these costs.

Thorn shipped seventeen (17) cars in 2007, three (3) cars in 2008, and zero (0) cars to date in 2009. In addition to rail service, Thorn uses truck to move and trans-load its commodities. Thorn will retain the ability to use truck and trans-load after CSXT discontinues use of the Line. There are 10 truck companies within a 10 mile radius, as well as numerous national companies.

During the past several years, miscellaneous commodities have been handled by CSXT; however, the principal purpose of the Line has been as an overhead route for approximately five (5) Indiana Railroad Company ("INRD") trains per week.<sup>1</sup> INRD trains have successfully been rerouted over a line of the Louisville & Indiana Railroad Company since

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<sup>1</sup> See *The Indiana Rail Road Company – Acquisition – Soo Line Railroad Company*, STB Finance Docket No. 34783 (STB served April 11, 2006).



July of 2009 pursuant to a haulage agreement, and INRD no longer operates over the Line. However, if INRD were to restart overhead service on the Line again, CSXT's discontinuance would not affect INRD's ability to provide service.

The only alternative would be not to discontinue service. If CSXT did not discontinue service, it would have to either impose the operating loss and maintenance costs of retaining the Line on all other CSXT customers, or CSXT would have to absorb the loss. Passing the cost on to other CSXT customers would result in a cross-subsidization of the Line by non-users, while absorbing the losses would not be a prudent utilization of carrier resources.

Two maps which delineate the proposed project are attached. (See Attachments 1 and 2)

Further attached is a distribution list of all parties who have received a copy of this report. (See Attachment 3)

## **(2) TRANSPORTATION SYSTEM**

**Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.**

There is no passenger traffic on this line. The five (5) INRD overhead trains per week have been successfully rerouted over the LIRC pursuant to a haulage agreement since July of 2009; and the only rail served customer, Thorn, has been exclusively using truck throughout 2009. The regional and local transportation systems have already received the minimal impact of the proposed transaction.

## **(3) LAND USE**

- (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.**

Applicant received a response dated November 2, 2009 and a response dated November 16, 2009 from Ms. Ramona Bagshaw – Clark County Planning Director stating *"I have no problem, and with the economy and covering only the unincorporated area, it is impossible to do any long term planning."* (See Attachments 4 and 4a)

Applicant received a response dated November 2, 2009 from Mr. Dan Terrell – Mayor of Mitchell stating *"I would fiercely oppose any movement for abandonment. This line is our area's connection to Louisville and Chicago and would have an adverse impact (on) our ability to create growth and economic development in our area."* (See Attachment 5)

Applicant received a response dated November 4, 2009 from Mr. James Tucker – Orange County Attorney stating *"The Board of Commissioners unanimously stated that they are in opposition to the proposal to discontinue service. Current and future land use in relation to the rail line will be adversely affected by the discontinuance of service."* (See Attachment 6)

Applicant has not received a response to its October 29, 2009 inquiries to Ms. Linda Barksdale – Floyd County Executive Director, Mr. Ronnie Voyles – City of Salem Planning, Mr. Scott Wood – New Albany City Director requesting information regarding this statement. (See Attachments 7, 11, 12 and 13)

Applicant received a response dated November 4, 2009 from Mr. Gerald Rose – Executive Director of the Washington County Economic Growth Partnership stating *"This action will adversely affect the potential growth and development of Washington County including the towns of Campbellsburg, New Pekin and the City of Salem."* (See Attachment 8)

Applicant received a response dated November 23, 2009 from Mr. Robert Henderson, Jr. – Clerk-Treasurer for the Town of Orleans stating *"...I am writing to express our strong opposition to your recent written correspondence concerning CSXT's plans to discontinue rail service."* (See Attachment 9)

Applicant received a response dated November 16, 2009 from Mr. Gary Nale – Pekin Town Manager stating *"...there is a railroad bridge over the South Fork River. Over the years it has been a continuing problem to keep the bridge piers free of debris. When the debris catches on the piers it causes a flooding problem upstream. Will this be a bigger problem in the future?"* (See Attachment 10)

Applicant received a response dated November 10, 2009 from Congresswoman Sandy Blanton stating *"We have meetings and committees at the state level that promote rail and potentially mass transit options for our future. The loss of this line would be a serious detriment to our future potential for these options."* (See Attachment 14)

Applicant received a response dated November 9, 2009 from Mr. Gene McCracken and Mr. Ed Epping of the Lawrence County Economic Growth Council stating *"It is impossible for us to promote and expect future growth without the capability of supporting our clients with rail services."* The letter further states *"We also believe that once this discontinuance is allowed, and then takes place, the next step is removing the rails thus creating a total abandonment of the rail line."* (See Attachment 14A)

On November 13, 2009, Applicant responded to Mr. McCracken and Mr. Epping stating *"...the proposed action is not an abandonment. If the STB approves the discontinuance, CSXT will not have the authority to remove the infrastructure."* (See Attachment 14B)

Applicant received a response dated November 9, 2009 from Mr. Ed Epping representing Lehigh Cement Company in Mitchell, Indiana stating *"The request by CSXT to discontinue service from Mitchell to near Albany may negatively impact any decision by Lehigh about building a new plant."* (See Attachment 14C)

On November 13, 2009, Applicant responded to Mr. Epping stating *"Since the facility is not located on, nor served by, the Hoosier Subdivision, there should be no negative impact to current or future rail operations."* (See Attachment 14D)

Applicant received a response dated November 19, 2009 from Senator Brent Steele stating *"...I am fully aware of bottom lines and that poor economic times demand making decisions and prioritizing...I ask that a discontinuation of services be avoided."* (See Attachment 14E)

Applicant received a response dated November 23, 2009 from Mr. Bradford Dykes – CEO of Bedford Regional Medical Center stating *"We respectfully ask that CSX reconsider this decision and work with local transportation authorities to maintain the rail lines and keep them in operating condition."* (See Attachment 14G)

Applicant has reviewed Mr. Dykes' response and found that the medical center is not located on this line segment. Applicant has not had the ability to serve this line segment since November 4, 1994 when abandonment authority was authorized under ICC (STB) Docket AB-55 (Sub No. 495X). Further research indicates that the last known rail service to this facility would have been prior to April 9, 1987, when the land under this line was sold.

Although Applicant has received significant comments regarding the proposed action, Applicant believes that the simple discontinuance of rail service should not adversely impact potential marketing as the plans have not coalesced and are not expected to occur in the immediate future. Discontinuance will allow Applicant to avoid costs normally incurred on the line, while providing the local communities an opportunity to solidify their future plans.

Further, the proposed action will have no negative impact to any current or future rail operations of Lehigh Cement as this customer is not served on, or via, the line segment.

- (ii) Based on consultation with the U. S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.**

Applicant received a response dated November 10, 2009 from Ms. Jane Hardisty – State Conservationist for the U.S. Department of Agriculture, Natural Resources Conservation Service Centers in Indianapolis, Indiana stating “The proposed discontinuance...will not cause a conversion of prime farmland.” (See Attachment 15)

- (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9.**

Applicant received a response dated November 24, 2009 from Mr. J. Matthew Buffington of the Indiana Department of Natural Resources - Division of Water stating *“Formal approval by the Department of Natural Resources under the regulatory programs administered by the Division of Water is not required for this project.”* (See Attachment 20)

Applicant does not believe the cessation of traffic should have any impact on any land or water uses within a coastal zone.

- (iv) If the proposed action is an abandonment, state whether or not the right of way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.**

The line is not proposed to be abandoned; therefore, Applicant expresses no opinion as to the right-of-way's suitability for alternative public use under 49 U.S.C. 10906.

**(4) ENERGY**

- (i) Describe the effect of the proposed action on transportation of energy resources.**

The proposed action will have no effect on the movement and/or recovery of energy resources.

- (ii) Describe the effect of the proposed action on recyclable commodities.**

The proposed action will have no effect on the movement and/or recovery of recyclable commodities.

- (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.**

The proposed action will not result in an increase or decrease in overall energy efficiency.

- (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.**

The above thresholds will not be exceeded.

**(5) AIR**

- (i) If the proposed action will result in either: (A) an increase in rail traffic of at least 100% (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100% (measured by carload activity), or (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions.**

The above thresholds will not be exceeded.

- (ii) If the proposed action affects a class I or non-attainment area under the Clean Air Act; and will it result in either: (A) an increase in rail traffic of a least 50% (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, or (B) an increase in rail yard activity of a least 20% (measured by carload activity), or (C) an average increase in truck traffic of more than 10% of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan.**

The above thresholds will not be exceeded.

- (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity, the frequency of service; safety practices (including any speed restriction); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Not applicable.

#### **(6) NOISE**

If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more, or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

The above thresholds will not be exceeded.

#### **(7) SAFETY**

- (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

Applicant believes that the discontinuance will have no adverse impact on public safety.

- (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

Not applicable.

- (iii) If there are any known hazardous waste sites or sites where there have been known hazardous material spills on the right of way, identify the location of those sites and the types of hazardous materials involved.

Applicant's records do not indicate any known hazardous material spills or hazardous waste sites.

**(8) BIOLOGICAL RESOURCES**

- (i) Based on consultation with the U. S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.**

Applicant received a response dated November 16, 2009 from Mr. Scott Pruitt of the U.S. Fish and Wildlife Service in Bloomington, Indiana stating *"These comments have been prepared under the authority of the Fish and Wildlife Coordination Act..."* (See Attachment 21)

Applicant responded via telephone on November 24, 2009 to Mr. Mike Litwin to clarify that the proposed action is merely a discontinuance of service. If Applicant's petition to discontinue service is authorized by the Board, Applicant would not have authorization, nor is it seeking, to perform any salvage activities. Lastly, if Applicant desires to perform salvage activities in the future, a new application to the Board would be required. The new application would require a new request for information from this and all applicable agencies. This information was received and understood by Mr. Litwin and he clarified that he wanted to make sure that Applicant understood the implications of salvage activities, if such were sought, in the future.

Therefore, applicant does not believe the cessation of traffic should have any impact on any endangered or threatened species or areas known to be a critical habitat.

- (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.**

Based upon Applicant's review of the area, the line is not within any wildlife sanctuaries or refuges, National or State parks or forests.

**(9) WATER**

- (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.**

Applicant has not received a response to its October 29, 2009 inquiry to the Indiana Department of Environmental Management in Indianapolis, Indiana requesting information regarding this statement. (See Attachment 22)

Applicant does not believe the cessation of traffic should have any impact, nor would it be inconsistent with federal, state and/or local water quality standards.

- (ii) **Based on consultation with the U. S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.**

Applicant has not received a response to its October 29, 2009 inquiry to Ms. Susanne Davis of the U.S. Army Corps of Engineers in Chicago, Illinois requesting information regarding this statement. (See Attachment 23)

Applicant is not aware of any designated wetlands or 100-year flood plains within the proposed project.

Based upon Applicant's intention only to discontinue service, and since there will be no new construction or removal of rail material, and the underlying roadbed will not be disturbed, it is Applicant's position that the proposed project will not adversely impact any wetlands or 100-year flood plains, and that no permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) will be required.

- (iii) **State whether permits under Section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action. (Applicants should contact the U. S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required).**

Applicant has not received a response to its October 29, 2009 inquiry to the U.S. Environmental Protection Agency in Chicago, Illinois (Region 5) requesting information regarding this statement. (See Attachment 24)

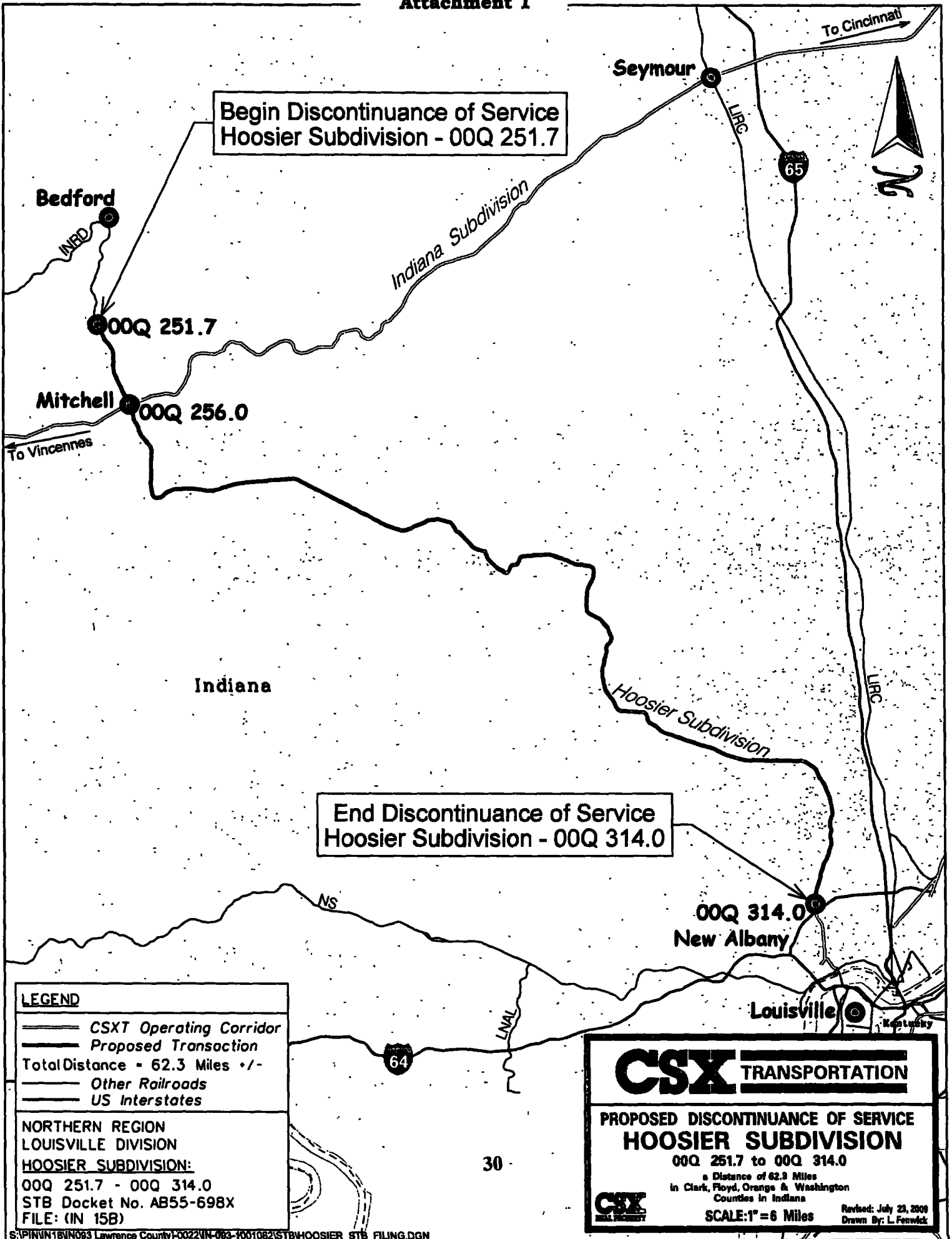
Based upon Applicant's intention only to discontinue service, and since there will be no new construction or removal of rail material, and the underlying roadbed will not be disturbed, it is Applicant's position that the proposed project will not adversely impact any wetlands or 100-year flood plains, and that no permits under Section 404 of the Clean Water Act (33 U.S.C. 1342) will be required.



**10. MITIGATION**

**Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.**

. Applicant does not believe there will be any adverse environmental impacts since the line will merely be discontinued. Therefore, mitigation of any impacts should not be necessary.





### AREA MAP

Proposed Discontinuance of Service  
on a portion of the Hoosier Subdivision  
00Q 251.7 (Near Bedford) to 00Q 314.0 (Near New Albany)  
a distance of 62.3 Miles +- in  
Clark, Floyd, Lawrence, Orange  
and Washington Counties, Indiana

### **Attachment 3**

#### **CSX Proposed Discontinuance of Service (AB 55 Sub No. 698X) External Distribution List**

Ms. Linda Barksdale  
Floyd County Executive Director  
311 Hauss Square  
New Albany, IN 47150

Mr. Scott Wood  
New Albany City Director  
311 Hauss Square  
New Albany, IN 47150

Ms. Ramona Bagshaw  
Clark County Planning  
Clark County Government Bldg.  
501 E. Court Avenue  
Jeffersonville, IN 47130

Mr. Donald Crockett  
Orange County Commissioner  
205 East Main Street  
Paoli, IN 47454

Mr. Denzil Chisham  
161 E. Price Avenue  
Orleans, IN 47452

Ms. Sarah Bachman  
Washington County Planning  
99 Public Square  
Suite 103  
Salem, IN 47167

Mr. Ronnie Voyles  
City of Salem Planning  
201 E. Market Street  
Suite 104  
Salem, IN 47167

Mr. Gary Nale  
Town Manager  
P. O. Box 310  
Pekin, IN 47165

Mr. Steve Burton  
Bldg Commissioner  
407 South 6<sup>th</sup> Street  
Mitchell, IN 47446

U.S. Environmental Protection Agency  
Region 5  
Attn: Mr. Ken Westlake (B19J)  
77 West Jackson Blvd.  
Chicago, IL 60604

Mr. Paul Higginbotham, Chief  
Indiana Department of Environmental  
Management  
100 North Senate Street  
Room N1255  
Indianapolis, IN 46204-2222

Mr. Scott Pruitt  
U.S. Fish & Wildlife Commission  
Bloomington Field Office  
620 South Walker Street  
Bloomington, IN 47403

Ms. Susanne Davis, Chief of Planning  
U.S. Army Corps of Engineers  
Chicago District  
111 North Canal Street  
Suite 600  
Chicago, IL 60606-7206

USDA - NRCS  
Corydon Service Center  
1855 Gardner Lane NW  
Corydon, IN 47112-2032

USDA - NRCS  
Salem Service Center  
801 Anson St  
Salem, IN 47167-1952

USDA - NRCS  
Bedford Service Center  
1919 Steven Ave  
Bedford, IN 47421-3534

USDA - NRCS  
Charlestown Service Center  
9608 Highway 62  
Charlestown, IN 47111-9640

USDA - NRCS  
Paoli Service Center  
573 SE Main St  
Paoli, IN 47454-9720

National Park Service  
Midwest Region  
Regional Director  
601 Riverfront Drive  
Omaha, NE 68102

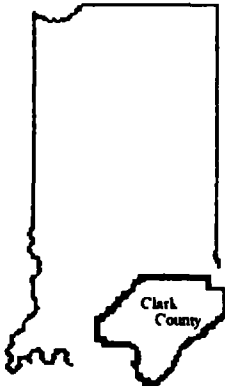
**CSX Proposed Discontinuance of Service (AB 55 Sub No. 698X)**  
**External Distribution List**

Indiana Department of Natural Resources  
402 West Washington – Room W264  
Indianapolis, IN 46204-2784

Railroad Section Manager  
Indiana Department of Transportation  
Multimodal Division  
620 South Walker Street  
Bloomington, IN 47403

National Geodetic Service (NOAA) at  
'NGS.InfoCenter@noaa.gov' (via email)

**Attachment 4**



**Clark County Planning, Zoning, and Building Commission**

501 East Court Avenue  
Clark County Government Building Room 416  
Jeffersonville, IN 47130  
(812) 285-6287  
Fax (812) 280-5616

November 2, 2009

CXS Transporation  
Mr. Dave Geraci  
Manager – Network Rationalization  
500 Water Street – J200  
Jacksonville, FL 33202

RE: Discontinuing Service

Dear Mr. Geraci:

In response to your letter concerning discontinuing service in Clark County, Indiana. I have no problem, and with the economy and covering only the unincorporated area, it is impossible to do any long term planning.

Hope this helps you and if I can be of further assistance, please do not hesitate to let me know.

Sincerely,

  
Ramona A. Bagshaw  
Executive Director

**Attachment 4A**

## CSXT Environmental Report Response Form

STB Docket Number AB 55 Sub No. 698X

Petition for Discontinuance of Service from Railroad Milepost 00Q 251.7 (near Mitchell) to Railroad Milepost 00Q 314.0 (near New Albany), a distance of 62.3 miles known as the Hoosier Subdivision, Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

Agency response (check one):

☒ No Environmental Impact

☐ Environmental Impact as follows (or attached):

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Date:

November 16, 2009

Signature:

Ramona Bagshaw

Name:

RAMONA BAGSHAW

Title:

Executive Director

**Attachment 5**

**Geraci, Dave**

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**From:** Dan Terrell [mayor@mitchell-in.gov]  
**Sent:** Monday, November 02, 2009 3:31 PM  
**To:** Geraci, Dave  
**Cc:** Ed Epping; mayor.salem@cityofsalemin.com; mayor@cityofnewalbany.com; Shawna Girgis  
**Subject:** Rail traffic

Dear Mr. Geraci

In regards to your letter dated October 29th, 2009 that CSX is considering discontinuing rail service on the Hoosier Subdivision. It is my perception that this is a prelude to total abandonment of the line. I would fiercely oppose any movement for abandonment. This line is our area's connection to Louisville and Chicago and would have an adverse impact our ability to create growth and economic development in our area.

However, being a 35 year railroader, I do understand the financial restraints of the railroad in today's economy. I would like to meet with you at your earliest convenience to discuss these issues.

Sincerely

Dan Terrell  
Mayor



**JAMES C. TUCKER**  
**Orange County Attorney**

188 South Court Street  
Paoli, IN 47454  
Phone: 812-723-2313  
Fax: 812-723-3789

**Attachment 6**

November 4, 2009

David Geraci  
Manager – Network Rationalization  
CSX Transportation  
500 Water Street  
Jacksonville, FL 32202

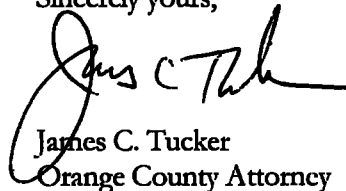
Dear Mr. Geraci:

As County Attorney for Orange County, I was delegated by the Orange County Commissioners at their meeting of November 4, 2009, to reply to your letter to Donald Crockett of October 29, 2009 concerning CSX Transportation, Inc. considering discontinuing service over approximately 62.3 miles of its rail line between a point near Mitchell, Indiana and a point near New Albany, Indiana.

The Board of Commissioners unanimously stated that they were in opposition of the plan to discontinue service. Current and future land use in relation to the rail line will be adversely affected by discontinuance of service. The present and future industrial needs of the Town of Orleans, Indiana will be directly and adversely affected by a decision to discontinue service.

The Board of Commissioners of Orange County are in opposition to the proposal to discontinue service.

Sincerely yours,



James C. Tucker  
Orange County Attorney

cc: Orange County Commissioners  
Orange County Council  
Diann Mathers, Orange County Auditor

**Attachment 7**



500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: Dave\_geraci@csx.com

Dave Geraci  
Manager - Network Rationalization

October 29, 2009

Ms. Linda Barksdale  
Floyd County Executive Director  
311 Hauss Square  
New Albany, IN 47150

Dear Ms. Barksdale:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

This action requires Surface Transportation Board approval and Federal Regulation 49 C.F.R. 1105.7(3)(i) requires that CSXT develop a response to the following statement:

“Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.”

CSXT would appreciate your comments regarding current and future land use in relationship to the rail line. However, since CSXT does not intend to abandon the line at this time, but merely discontinue service, CSXT would greatly appreciate receiving a letter of support for our proposed action.

Enclosed you will find maps and a distribution list of all parties that have been copied.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Geraci", with a long horizontal stroke extending to the right.

Attachments

**Washington County**  
ECONOMIC GROWTH PARTNERSHIP, INC.

Date: November 4, 2009  
To: Mr. Dave Geraci  
Re: Line Discontinuance of Service

Dear Mr. Geraci,

I have been informed that CSX Transportation (CSXT) has appealed to the Surface Transportation Board to discontinue service over its rail line from Mitchell, Indiana to New Albany, Indiana. This action will adversely affect the potential economic growth and development of Washington County including the towns of Campbellsburg, New Pekin and the City of Salem. The CSX rail line runs through these towns and prospective companies needing rail will immediately eliminate Washington County when considering a location for their company. The CSX request will seriously hinder the marketing of manufacturing and industrial sites in Washington County. The elimination of this rail service will result in the decline of revenues for existing and future business endeavors. Also during the next decade we can reasonably predict that income levels of the people who live and work in Washington County will decline.

In regards to your statement in your letter dated October 29, 2009,

"Based on consultation with local and/or regional planning agencies and or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with land use plans."

I have the following comments. I know of no official land use plan for Washington County but the discontinuance of service is inconsistent with the marketing strategies of the local economies. Several areas adjacent to the rails are marketed for industrial use and the Washington County Economic Growth Partnership is marketing to potential companies some property in Campbellsburg, New Pekin and Salem that lies along the CSX rail. Without rail service the potential for companies to locate here is severely diminished.

On behalf of the citizens and the businesses and industrial communities of Washington County, we request that you reconsider your appeal to discontinue service on this line due to the previously stated adverse consequences to the area.

Respectfully submitted,



Gerald Rose, Executive Director  
And the Members of the Board of the  
Washington County Economic Growth Partnership

Copy to: Surface Transportation Board

## **Attachment 9**

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**From:** Orleans Clerk [mailto:orleansclerk@netsurfusa.net]  
**Sent:** Monday, November 23, 2009 3:02 PM  
**To:** Geraci, Dave  
**Cc:** 'Street Dept.'; 'Michael H. Fields'; 'randy lawyer'; Janie Baker;  
Adam.Dickey@mail.House.Gov; McNichols, Jamie; Wooden, Kenton (Bayh);  
Representative Blanton; Sen. Brent Steele; Roger Moon; 'Progress Examiner'  
**Subject:** CSX Railroad  
**Importance:** High

**Dave,**

**On behalf of the Orleans Town Council I am writing to express our strong opposition to your rececent written correspondence concerning CSXT's plans to discontinue rail service. As you know this area is an economically depressed rural area and our elected officials and community leaders alike continue to work very hard to recruit and expand business development throughout the region as a whole. The loss of rail service would most certainly further hamper those efforts.**

**In the winter of 1851, the L & N Railroad (then called New Albany-Salem Railroad) was built to come through the town. To secure the railroad for Orleans, the citizens gave \$40,000, all by private subscription. Considering the time and size of the town that was a remarkable large amount. The railroad made a huge curve to pass through our town and added greatly to the development of the community and surrounding areas down through the years.**

**We also have real concerns that in the event that rail service does end about the proper maint. and upkeep of railroad property located here in Orleans. There is also the added concern for increased vandalism and graffiti etc. taking place with the numerous rail cars presently parked all along the line.**

**As the railroad brought real prosperity and growth to our Town and has been a vital part of our community for nearly**

**160 years now we would at this time respectfully ask that you reconsider this decision.**

**Thanking you in advance.**

*"Die when I may, I hope that it is said of me, by those who know me best, that I pulled a thistle and planted a rose where I thought a rose would grow."*

Abraham Lincoln

**Robert F. Henderson, Jr.  
Clerk-Treasurer**



**Town of Orleans  
Office of the Clerk-Treasurer  
161 E. Price Ave.  
Orleans, IN 47452  
Phone 812-865-2539  
Fax 812-865-3413  
[www.town.orleans.in.us](http://www.town.orleans.in.us)**

Attachment 10

## CSXT Environmental Report Response Form

STB Docket Number AB 55 Sub No. 698X

Petition for Discontinuance of Service from Railroad Milepost 00Q 251.7 (near Mitchell) to Railroad Milepost 00Q 314.0 (near New Albany), a distance of 62.3 miles known as the Hoosier Subdivision, Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

Agency response (check one):

☐ No Environmental Impact

☐ Environmental Impact as follows (or attached):

IN THE TOWN OF NEW PEKIN, THERE IS A RAILROAD BRIDGE OVER THE SOUTH  
FORK OF BLUE RIVER. OVER THE YEARS IT HAS BEEN A CONTINUING PROBLEM  
TO KEEP THE BRIDGE PIERS FREE OF DEBRIS. WHEN THE DEBRIS CATCHES ON  
THE PIERS IT CAUSES A FLOODING PROBLEM UPSTREAM.  
WILL THIS BE A BIGGER PROBLEM IN THE FUTURE?

Date:

NOVEMBER 16, 2009

Signature:

Gary L. Nale

Name:

GARY L. NALE

Title:

TOWN MANAGER, TOWN OF NEW PEKIN



**Attachment 11**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: Dave\_geraci@csx.com

**Dave Geraci**  
**Manager - Network Rationalization**

October 29, 2009

Mr. Ronnie Voyles  
City of Salem Planning  
201 E. Market Street  
Suite 104  
Salem, IN 47167

Dear Mr. Voyles:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

This action requires Surface Transportation Board approval and Federal Regulation 49 C.F.R. 1105.7(3)(i) requires that CSXT develop a response to the following statement:

“Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.”

CSXT would appreciate your comments regarding current and future land use in relationship to the rail line. However, since CSXT does not intend to abandon the line at this time, but merely discontinue service, CSXT would greatly appreciate receiving a letter of support for our proposed action.

Enclosed you will find maps and a distribution list of all parties that have been copied.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Geraci", written over a horizontal line.

Attachments

**Attachment 12**



**Dave Geraci**  
**Manager - Network Rationalization**

**500 Water Street – J200**  
**Jacksonville, FL 32202**  
**Phone: (904) 633-1068**  
**FAX: (904) 245-2226**  
**E-Mail: Dave\_geraci@csx.com**

**October 29, 2009**

**Mr. Denzil Chisham**  
**161 E. Price Avenue**  
**Orleans, IN 47452**

**Dear Mr. Chisham:**

**Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.**

**This action requires Surface Transportation Board approval and Federal Regulation 49 C.F.R. 1105.7(3)(i) requires that CSXT develop a response to the following statement:**

**"Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies."**

**CSXT would appreciate your comments regarding current and future land use in relationship to the rail line. However, since CSXT does not intend to abandon the line at this time, but merely discontinuance service, CSXT would greatly appreciate receiving a letter of support for our proposed action.**

**Enclosed you will find maps and a distribution list of all parties that have been copied.**

**Sincerely,**

A handwritten signature in black ink, appearing to be "Dave Geraci", with a long horizontal line extending to the right.

**Attachments**





**Attachment 13**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: Dave\_geraci@csx.com

**Dave Geraci**  
Manager - Network Rationalization

October 29, 2009

Mr. Scott Wood  
New Albany City Director  
311 Hauss Square  
New Albany, IN 47150

Dear Ms. Barksdale:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

This action requires Surface Transportation Board approval and Federal Regulation 49 C.F.R. 1105.7(3)(i) requires that CSXT develop a response to the following statement:

“Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.”

CSXT would appreciate your comments regarding current and future land use in relationship to the rail line. However, since CSXT does not intend to abandon the line at this time, but merely discontinuance service, CSXT would greatly appreciate receiving a letter of support for our proposed action.

Enclosed you will find maps and a distribution list of all parties that have been copied.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Geraci", written over a horizontal line.

Attachments

**Attachment 14**

**Geraci, Dave**

---

**From:** Sandy Blanton [sandyblanton@hotmail.com]

**Sent:** Tuesday, November 10, 2009 1:26 PM

**To:** Geraci, Dave

**Subject:** Service Discontinuance

Dear Mr. Geraci,

I am one of the State Representatives for the area of discontinuance between Mitchell, IN and New Albany, IN. As you know, this is an economically depressed area with high hopes of recruiting and expanding business development. We are dismayed that the elimination of this line will hurt us in this effort.

We have meetings and committees at the state level that promote rail and potentially mass transit options for our future. The loss of this line would be a serious detriment to our future potential for these options.

I respectfully ask that you reconsider.

Sincerely,

Sandy Blanton  
State Representative  
District 62

---

Hotmail: Trusted email with powerful SPAM protection. Sign up now.

**Staff:**  
Gene McCracken, Executive Director  
Maria Jones, Assistant Director  
Joe Timbrook, Office Manager

**Officers:**  
Ed Epping, President  
Susan Johnson, Vice President  
Tim Deckard, Treasurer  
Matt Parker, Secretary

**2009 Board Members:**

Jay Anderson, Hoosier Hills Credit Union  
Bill Ansley, Pynco, Inc  
William Arnold, Mitchell City Council  
Greg Beard, Wal-Mart Supercenter  
Cyle Beekman, Bedford City Council  
Adele Bowden-Purlee, Bedford Area Chamber of Commerce  
David Branneman, Lawrence County Tourism  
Mike Branham, Lawrence County Council  
Lauren Brewer, Employment Plus  
Rosemary Brewer, Mitchell City Council  
Debbie Bruner, Dunn Memorial Hospital  
Byron Buker, Bedford City Council  
Janie Craig-Chenault, Commissioner Appointee  
Randy Clark, Helix Technologies  
Doug Conrad, Bedford Machine & Tool, Inc.  
Joe Cox, Mitchell Manor  
Tim Deckard, P R D, Incorporated  
Keith Dillman, Lawrence County Council  
Dwight Dunbar, Mitchell Chamber of Commerce  
Brad Dykes, Bedford Regional Medical Center  
Brian Eagens, Lowe's Home Improvement  
Mike Eager, Mitchell City Council  
Jim Edwards, Lawrence County Council  
Ed Epping, Lehigh Cement Company  
Everett Ferrel, Mitchell City Council  
Kelly Fitzgerald-Cobb, Bedford City Council  
Dave Flinn, Lawrence County Commissioner  
Hope Flores, Lawrence County Community Foundation  
Steve Flores, Lawrence County Council  
Darren Fortner, Bedford Cellular, Inc.  
Mark Franklin, Stone City Bank  
Steve Gault, WorkOne Bedford  
Shawna Girgis, Mayor City of Bedford  
Bret Hawkins, South Central Education Alliance  
Randy Hawkins, Hawkins Bailey Warehouse  
Brandi Hughes, Field Rep for Congressman Steve Buyer  
Ross Jean, Lawrence County Council  
Susan Johnson, Monroe Bank  
JoAnn Kasprzycki, JCB  
KD Kaur, Comfort Inn  
Mike Kern, Gaylor, Inc  
Doug Kellams, Tri-County Builders Co., Incorporated  
Joe Klumpp, Bedford Housing Authority  
John Lantis, Mitchell Community Schools  
Polly Lawyer, Tri-Star Engineering  
Dorrie LoBue, Indiana Economic Development Corporation  
Jeff Lytton, Bedford Federal Savings Bank  
Joe Macrino, General Motors Powertrain  
Mayer Maloney, Times-Mail  
Chris May, Lawrence County Commissioner  
Jack May, Bedford City Council  
Brenda McLane, Ivy Tech Community College  
David Miller, Hoosier Uplands  
Dwight Moore, Mitchell City Council  
Jack Murphy, Bloomfield State Bank  
Michelle Murphy, Bedford City Council  
Matt Parker, Parker Group  
Danny Powell, Mitchell Crushed Stone/Rogers Group  
J. D. Powell, JA Benefits, LLC  
Steve Powell, AT&T  
Jeff Quyle, Hoosier Energy  
Patrick Robbins, Robbins Investments & Bedford City Council  
Joe Ross, Lawrence County Council  
Mark Scherschel, Bedford City Council  
Gary Shelley, Duke Energy  
Janet Skillman, Keach & Grove Insurance  
Bill Spreen, Lawrence County Commissioner  
John Storms, Hubler Chevrolet-Buick-Pontiac-GMC-Cadillac  
Danny Terrell, Mayor City of Mitchell  
Dr. Dennis Turner, North Lawrence Community Schools  
Rez Williams, N S W C Crane  
Raymond Wise, Vectren Energy  
Brian Wolka, Jackson County R E M C

November 9, 2009

**Attachment 14A**

Mr. Dave Geraci, Manager  
Network Rationalization  
CSX Transportation  
500 Water Street - J200  
Jacksonville, FL 32202

Dear Mr. Geraci:

It has most recently come to our attention that CSXT is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange, and Washington Counties in Indiana. The above information was provided by you to a CSXT Proposed Discontinuance of Service (AB 55 Sub No. 698X) External Distribution List.

It is impossible for us to promote and expect future growth without the capability of supporting our clients with rail services. Our Executive Board passed unanimously a resolution which emphatically states that we are not in support of your proposed action to discontinue service throughout our area. It is hard for us to put into words the exact economic impact we will suffer if this action occurs. But, we can with certainty say that if this rail service goes away the chances of rebuilding it, etc., are practically nil. We also believe that once this discontinuance is allowed, and then takes place, the next step is removing the rails thus creating total abandonment of the rail line.

Therefore, can you provide us with documentation on how we may file official disagreement proceedings in regard to the discontinuance of service by CSXT of the above mentioned rail line. Also, can you provide us with a time-line of your plans for discontinuance of service, so we can properly prepare to work with you in resolving this situation and thus ensuring future opportunities for economic growth for CSXT and our region.

Sincerely,



Gene McCracken, Executive Director



Ed Epping, President

cc: Senator Richard Lugar  
Senator Evan Bayh  
Congressman Steve Buyer  
Congressman Baron Hill  
Governor Mitch Daniels  
Lt. Governor Becky Skillman  
State Senator Brent Steele  
State Representative Eric Koch  
State Representative Sandy Blanton  
Mitch Roob, Indiana Secretary of Commerce  
Dorrie LoBue, Director South West Region Indiana Economic Development Corp.



**Attachment 14B**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: dave\_geraci@csx.com

Dave Geraci  
Manager – Network Rationalization

November 13, 2009

Mr. Gene McCracken,  
Executive Director &  
Mr. Edward Epping,  
President  
Lawrence County Economic Growth Council  
1116 16<sup>th</sup> Street  
Bedford, IN 47421

RE: CSXT Proposed Discontinuance of Service  
Docket No. AB-55 (Sub No. 698X)

Dear Mr. McCracken and Mr. Epping:

Thank you for your letter dated November 9, 2009 regarding the CSXT proposed discontinuance of service.

It is important to clarify that the proposed action is not an abandonment. If the Surface Transportation Board ("Board") approves the discontinuance, CSXT will not have the authority to remove the infrastructure. Should CSXT determine that abandonment is necessary in the future, a new application will be necessary. A new application for abandonment will require that CSXT solicit further response from the appropriate agencies.

CSXT is sensitive to the needs of potential industrial development and this became part of the reason to merely discontinue service and not fully abandon the line at this time.

To further address the remaining issues in your letter, CSXT intends to file the discontinuance on December 18, 2009. Any comments received by this office will be included in the filing. Any comments received after the filing will be submitted to the Board under separate cover. If you would like to submit comments directly to the STB or if you have any questions about the Board's environmental review process, you may contact the Surface Transportation Board's Section of Environmental Analysis at STB - SEA, 395 E Street, NW, Washington, DC 20423, telephone (202) 245-0230 and refer to the Docket Number.

If you have any further questions concerning this proposal, please feel free to contact me.

Sincerely,

November 9, 2009

**Attachment 14C**

Lehigh Cement Company  
180 N. Meridian Road  
Mitchell, IN 47446  
Phone: 812-849-2191  
Fax: 812-849-6045

Dear Mr. Geraci:


It has most recently come to our attention CSXT is considering discontinuing service over approximately 62.3 miles of its rail line between Railroad Milepost 00Q251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange, and Washington Counties in Indiana. The above information was provided by you to a CSXT Proposed Discontinuance of Service (AB 55 Sub No. 698X) External Distribution List.

Lehigh Cement Company has announced and is in the permitting phase of building a new cement plant at Mitchell, Indiana. As justification for the new Plant and proposed doubling production of cement, the proposal was for the 50% increase in cement production to service new customers further from the Plant by RAIL. The request by CSXT to discontinue service from Mitchell to near Albany may negatively impact any decision by Lehigh about building a new plant.

Further, INDOT and the City of Mitchell are within a month of completing construction of a **bridge over the section of rail from Mitchell to Bedford that could be abandoned** as the next logical step to discontinued service. This bridge is being built at great expense to the state of Indiana, and the City of Mitchell anonymous donor.

For these reasons, Lehigh Cement Company would strongly request that CSXT continued service on this rail line. Economic conditions are forecast to improve in the next two years. Lehigh Cement Company and Lawrence County need all advantages of fast reliable transportation to be available to take full advantage of the economic upturn for the State of Indiana.

Sincerely,

  
Edward E. Epping  
Plant Manager

cc. Mr. Albrecht Schall  
Lt Gov Becky Skillman  
Senator Richard Lugar  
Senator Evan Bayh  
Congressman Steve Buyer  
Congressman Baron Hill  
State Senator Brent Steele  
State Representative Eric Koch



**Attachment 14D**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: dave\_geraci@csx.com

**Dave Geraci**  
**Manager – Network Rationalization**

November 13, 2009

Mr. Edward Epping,  
Plant Manger  
Lehigh Cement Company  
180 N. Meridian Road  
Mitchell, IN 47446

RE: CSXT Proposed Discontinuance of Service  
Docket No. AB-55 (Sub No. 698X)

Dear Mr. Epping:

Thank you for your letter dated November 9, 2009 regarding the CSXT proposed discontinuance of service.

CSXT is delighted that Lehigh has the opportunity to build a new rail served cement plant at Mitchell. Since the facility is not located on, nor served by, the Hoosier Subdivision, there should be no negative impact to current or future rail operations.

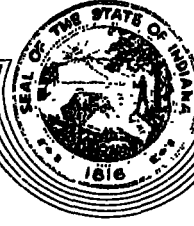
To address the remaining issue in your letter, since CSXT intends to merely discontinue service over the line, and not abandon or remove any rail infrastructure at this time, the construction of a new bridge would be warranted to preserve potential future rail use.

If you have any further questions concerning this proposal, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Geraci", followed by a long horizontal line.

STATE OF INDIANA



SENATE

Senator Brent Steele  
200 West Washington Street  
Indianapolis, IN 46204  
www.in.gov /s44

Chair, Corrections, Criminal & Civil Matter  
Ethics  
Judiciary  
Rules and Legislative Procedure  
Insurance and Financial Institutions

November 19, 2009

Mr. Dave Geraci  
CSX Transportation  
J 200  
500 Water Street  
Jacksonville, Florida 32202

Dear Mr. Geraci:

I first want to thank you and your company for taking the time to come to Lawrence County to explain, face to face, the situation on the issue of discontinuation of service.

As a lawyer, business man and politician, I am fully aware of bottom lines and that poor economic times demand making decisions and prioritizing.

I have both Lawrence and Washington Counties in my district, as well as Orange, Jackson and Monroe Counties. Bedford is my home town of 62 years. I grew up on the track at 10<sup>th</sup> and Lincoln. My grandfather was retired Monon. So much of the future viability of potential growth rests on the availability of companies, searching for a home, to have rail service. Our entire area can dry up on the vine if we see this line vanish. I realize discontinuance of services is not the same as abandonment, but, it always seems to be the eventuality. On bended knee I ask that a discontinuation of services be avoided. We have CRANE, GM, and so many other companies that do use rail. As a national security issue I would think CRANE would need an alternative route if one of the lines was hit by terrorists.

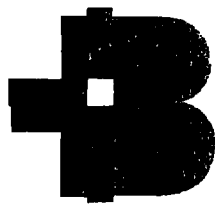
Finally, this is my formal request for information. I want to know how much of INRD is owned by CSX? Does CSX have any board members that also sit on the board of INRD?

Thanking you for your attention, I am,

Sincerely,

Brent Steele

A handwritten signature in black ink, appearing to read "Brent Steele", with a stylized flourish at the end.



**Bedford  
Regional  
Medical  
Center**



Clarian Health

November 23, 2009

**Attachment 14G**

2900 W 16th Street  
Bedford, IN 47421  
(812) 275-1200  
(800) 755-3734

Dave Geraci, Manager  
Network Rationalization  
CSX Transportation  
500 Water Street – J200  
Jacksonville, FL 32202

Dear Mr. Geraci:

Bedford Regional Medical Center is a community hospital located in Bedford, IN which historically has been served by the CSX Railroad. It has come to our recent attention that CSX has plans to discontinue service to this community which may eventually lead to abandonment of the rail line in our area. We are gravely concerned about the loss of rail service for the businesses in our area. We respectfully ask that CSX reconsider this decision and work with local transportation authorities to maintain the rail lines and keep them in operating condition.

The Lawrence County Economic Growth Council and other representative bodies of businesses in our community want to assure the long term growth and vitality of economic development in our region. We also know as a hospital organization that the services provided by your company are very valuable to the people that we live with and work with every day.

We appreciate your serious consideration of this matter, and we are willing to provide additional information and response if you have questions which we may be able to answer.

Sincerely,

Bradford W. Dykes  
Chief Executive Officer

BWD:ke

Cc: Gene McCracken, Exec. Dir., Lawrence County Economic Growth Council  
Senator Richard Lugar  
Senator Evan Bayh  
Congressman Steve Buyer  
Lt. Governor Becky Skillman



United States Department of Agriculture



Natural Resources Conservation Service  
6013 Lakeside Blvd.  
Indianapolis, IN 46268

**Attachment 15**

November 10, 2009

Dave Geraci  
Manager-Network Rationalization  
CSX Transportation  
500 Water Street-J200  
Jacksonville, FL 32202

Dear Mr. Geraci:

The proposed project to discontinue service over approximately 62.3 miles of rail line in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana, as referred to in your letter received November 4, 2009, will not cause a conversion of prime farmland.

If you need additional information, please contact Lisa Bolton at 317-290-3200, extension 342.

Sincerely,

**ACTING FOR**

A handwritten signature in black ink, appearing to read "Jane E. Hardisty".

JANE E. HARDISTY  
State Conservationist

*Helping People Help the Land*

An Equal Opportunity Provider and Employer

**State of Indiana  
DEPARTMENT OF NATURAL RESOURCES  
Division of Water**

**Early Coordination/Environmental Assessment**

---

**DNR #:** ER-14471 **Request Received:** November 2, 2009

**Requestor:** CSX Transportation  
Dave Geraci  
500 Water Street - J200  
Jacksonville, FL 32202

**Project:** Proposal to discontinue service of about 62.3 miles of rail line between milepost 00Q 251.7 (near Mitchell) and milepost 00Q 314.0 (near New Albany)

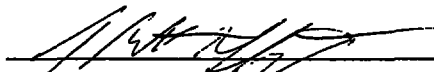
**County/Site Info:** Clark - Floyd- Lawrence- Orange- Washington

The Indiana Department of Natural Resources has reviewed the above referenced project per your request. Our agency offers the following comments for your information and in accordance with the National Environmental Policy Act of 1969.

**Regulatory Assessment:** Formal approval by the Department of Natural Resources under the regulatory programs administered by the Division of Water is not required for this project.

**Fish & Wildlife Comments:** Fish, wildlife, and botanical resource losses as a result of this project should be minimal.

**Contact Staff:** Christie L. Stanifer, Environ. Coordinator, Fish & Wildlife  
Our agency appreciates this opportunity to be of service. Please do not hesitate to contact the above staff member at (317) 232-4160 or 1-877-928-3755 (toll free) if we can be of further assistance.

  
\_\_\_\_\_  
J. Matthew Buffington  
Environmental Supervisor  
Division of Fish and Wildlife

**Date:** November 24, 2009



**United States Department of the Interior  
Fish and Wildlife Service**



**Bloomington Field Office (ES)  
620 South Walker Street  
Bloomington, IN 47403-2121  
Phone: (812) 334-4261 Fax: (812) 334-4273**

**November 16, 2009**

**Mr. David Geraci  
CSX Transportation  
500 Water Street J200  
Jacksonville, Florida 32202**

**Dear Mr. Geraci:**

**This responds to your letter of October 29, 2009 requesting U.S. Fish and Wildlife review of a proposed discontinuance of Service on a 62.3 mile segment of the Hoosier Subdivision Line railroad in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.**

**These comments have been prepared under the authority of the Fish and Wildlife Coordination Act (16 U.S.C. 661 et. seq.) and are consistent with the intent of the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the U. S. Fish and Wildlife Service's Mitigation Policy.**

**The subject railroad line segment extends from Mitchell at the north end to New Albany at the south end. The segment passes through several habitat types with numerous stream crossings, including the Blue River and some of its major tributaries. Due to the length of the segment we cannot provide information on all potential water resources and other habitats along the rail corridor. We recommend the following measures to avoid adverse impacts to water resource and aquatic fauna.**

- 1. Avoid all wetland impacts, including draining, filling, tree-clearing, and disposal of debris.**
- 2. Avoid or minimize stream channel disturbance for bridge removal or repairs.**
- 3. Avoid In-channel work in the Blue River, other perennial streams and good quality intermittent streams during the fish-spawning season (April 1-June 30).**
- 4. Avoid tree clearing in riparian areas.**
- 5. Use best management practices to minimize runoff of sediment or contaminants to the waterways.**

6. Prevent demolition debris from entering streams or wetlands.

The project is in an area of karst geologic features, which often support unique subterranean ecosystems. We did not attempt to delineate karst features along the entire railroad segment, but if caverns or springs are encountered during excavation, all work should stop immediately and this office or the Indiana Department of Natural Resources should be contacted concerning proper mitigation measures. If sinkholes occur in construction areas they should be left undisturbed along with a 25 foot buffer around the highest closed contour. Existing volume of surface drainage to sinkholes should be maintained, and drainage from construction sites should be filtered or treated prior to entering a sinkhole.

Endangered Species

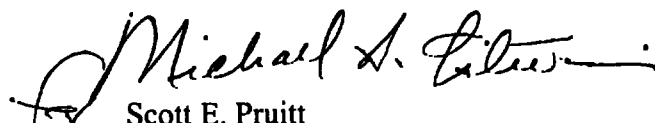
The proposed project is within the range of the federally endangered Indiana bat (*Myotis sodalis*), and gray bat (*M. grisescens*) (Clark County only). Lawrence, Orange and Washington Counties contain hibernating caves for Indiana bats and all counties contain summer foraging habitat. The project will not eliminate enough habitat to affect Indiana bats, but to avoid incidental take from removal of an occupied roost tree we recommend that tree-clearing be avoided in undeveloped areas during the period April 1 - September 30.

The gray bat is a southern species which inhabits caves year-around and typically migrate between winter hibernation caves and summer cave roosts used for reproduction and foraging. Preferred foraging habitat is typically along wooded stream corridors and their forage base often includes a high percentage of aquatic insects. There is only one significant summer maternity colony known in Indiana, in southern Clark County (there is evidence that another colony may be located nearby). Previous studies have shown that Silver Creek and Muddy Fork are the main foraging habitat for this colony. We recommend avoiding disturbance of the Muddy Fork stream corridor and its tributaries.

If the proposed project implements the aforementioned recommendations we concur that it is not likely to adversely affect either of these listed species, and this precludes the need for further consultation on this project as required under Section 7 of the Endangered Species Act of 1973, as amended. However, should new information arise pertaining to project plans or a revised species list be published, it will be necessary for the Federal agency to reinitiate consultation.

For further discussion, please contact Mike Litwin at (812) 334-4261.

Sincerely yours,

  
Scott E. Pruitt  
Supervisor



**Attachment 22**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: Dave\_geraci@csx.com

Dave Geraci  
Manager - Network Rationalization

October 29, 2009

Mr. Paul Higginbotham, Chief  
Indiana Department of Environmental Management  
100 North Senate Street  
Room N1255  
Indianapolis, IN 46204-2222

Dear Mr. Higginbotham:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7 (9) (i) and (iii) require that CSXT develop a response to the following statements:

(i) "Based on consultation with State Water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies."

(iii) State whether permits under Section 402 of the Clean Water Act 33 U.S.C. 1342 are required for the proposed action."

Since CSXT intends to merely discontinue service and will not abandon nor commence salvage activities, CSXT would greatly appreciate receiving a letter of support for our proposed action.

Enclosed you will find maps and a distribution list of all parties that have been copied.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Geraci", with a long horizontal line extending to the right.

Attachment



**Attachment 23**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: Dave\_geraci@csx.com

Dave Geraci  
Manager - Network Rationalization

October 29, 2009

Ms. Susanne Davis, Chief of Planning  
U.S. Army Corps of Engineers  
Chicago District  
111 North Canal Street  
Suite 600  
Chicago, IL 60606-7206

Dear Ms. Davis:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7(9)(ii) require that CSXT develop a response to the following statement:

“Based on consultation with the U. S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100 year flood plains will be affected. Describe the effects.”

Since CSXT intends to merely discontinue service and will not abandon nor commence salvage activities, CSXT would greatly appreciate receiving a letter of support for our proposed action.

Enclosed you will find maps and a distribution list of all parties that have been copied.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Geraci", with a long horizontal line extending to the right.

Attachment



**Attachment 24**

500 Water Street – J200  
Jacksonville, FL 32202  
Phone: (904) 633-1068  
FAX: (904) 245-2226  
E-Mail: Dave\_geraci@csx.com

Dave Geraci  
Manager - Network Rationalization

October 29, 2009

U.S. Environmental Protection Agency  
Region 5  
Attn: Mr. Ken Westlake (B19J)  
77 West Jackson Blvd.  
Chicago, IL 60604

Dear Mr. Westlake:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana.

This action requires Surface Transportation Board approval and Federal Regulations 49 C.F.R. 1105.7 (9) (i) and (iii) require that CSXT develop a response to the following statements:

(i) "Based on consultation with State Water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies."

(iii) State whether permits under Section 402 of the Clean Water Act 33 U.S.C. 1342 are required for the proposed action."

Since CSXT intends to merely discontinue service and will not abandon nor commence salvage activities, CSXT would greatly appreciate receiving a letter of support for our proposed action.

Enclosed you will find maps and a distribution list of all parties that have been copied.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Geraci", written over a horizontal line.

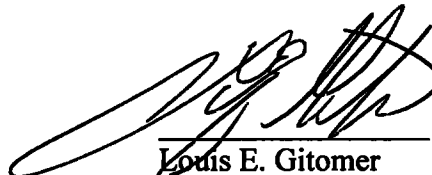
Attachment

# **EXHIBIT C—HISTORIC REPORT**

## **CERTIFICATE OF SERVICE OF HISTORIC REPORT**

Pursuant to the requirements of 49 C.F.R. §1105.8(c) and .11, the undersigned hereby certifies that a copy of the Historic Report in Docket No. AB-55 (Sub-No. 698X) was mailed via first class mail on October 29, 2009, to the following party:

Ms. Karie Brudis  
Indiana State Historic Preservation Office  
402 West Washington Street  
Room W274  
Indianapolis, IN 42604

  
\_\_\_\_\_  
Louis E. Gitomer  
December 18, 2009





Dave Geraci  
Manager – Network & Joint Facility Services

500 Water Street – J200  
Jacksonville, FL 32202  
Tel. (904) 633-1068  
Fax (904) 245-2226  
E-Mail: Dave\_Geraci@CSX.com

October 29, 2009

Ms. Karie Brudis  
Indiana State Historic Preservation Office  
402 West Washington Street  
Room W274  
Indianapolis, IN 42604

RE: CSX Transportation, Inc.  
Proposed Discontinuance of Service  
Docket AB-55 (Sub-No. 698X)

Dear Ms. Brudis:

Please be advised that CSX Transportation, Inc. (CSXT) is considering discontinuing service over approximately 62.3-miles of its rail line between Railroad Milepost 00Q 251.7 (near Mitchell) and Railroad Milepost 00Q 314.0 (near New Albany), known as a portion of the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana, as shown in the attached historic report.

In connection with rail lines that are to become the subject of applications for authority to abandon, Federal Regulations at 49 CFR 1105.8(d), require that a Historic Report be submitted to the State Historic Preservation Officer prior to filing with the Surface Transportation Board. In accordance with those Regulations, I am attaching a Historic Report covering the above proposed discontinuance.

Based on the fact that the proposed action is a discontinuance of service and CSXT does not intend to abandon the line, nor will it have the right to perform salvage activities on the line at this time, CSXT would greatly appreciate receiving a letter from your office confirming that this project will have no impact upon any cultural resources.

If you have questions, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Geraci", with a long horizontal line extending to the right.

Attachment

Cc: STB - SEA, 395 E Street SW, Washington, DC 20423  
Mr. Lou Gitomer, Counsel, 600 Baltimore Ave, Suite 201, Towson, MD 21204  
Ms. Katie Barney, Counsel, CSXT, 500 Water St.-J150, Jacksonville, FL 32202  
Mr. Steve Armbrust, Counsel, CSXT, 500 Water St.-J150, Jacksonville, FL 32202

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# HISTORIC REPORT

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**CSX TRANSPORTATION, INC.  
MITCHELL TO NEW ALBANY  
CLARK, FLOYD, ORANGE and  
WASHINGTON COUNTIES, INDIANA  
DOCKET AB-55 (SUB-NO. 698X)**

**1105.7(e)(1)**

**PROPOSED ACTION AND ALTERNATIVES.** Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable detailed map and drawings clearly delineating the project.

CSX Transportation, Inc. ("CSXT") proposes to discontinue service over approximately 62.3 miles of its rail line between Railroad Milepost 00Q 251.7 (near New Albany) and Railroad Milepost 00Q 314.0 (near New Albany), known as the Hoosier Subdivision, in Clark, Floyd, Lawrence, Orange and Washington Counties, Indiana (the "Line").

CSXT will not abandon the Line at this time, but rather discontinue service in order to leave the Line in place for potential future use. Discontinuance will permit CSXT to avoid the maintenance and operational expenses on the Line as the revenue generated by the on-line shipper, L. Thorn Company (Thorn), located at about Milepost 00Q 310.8, is insufficient to cover these costs.

Thorn shipped seventeen (17) cars in 2007, eight (8) cars in 2008, and zero (0) cars to date in 2009. Thorn uses transportation alternatives to rail service. In addition to rail service, Thorn uses all truck moves and trans-loads its commodities to truck. Thorn will retain the ability of using all truck and trans-loading after CSXT discontinues use of the Line. There are 10 truck companies within a 10 mile radius, as well as, numerous national companies.

During the past several years, miscellaneous commodities have been handled by CSXT, however, the principal purpose of the Line

has been as an overhead route for approximately five (5) Indiana Railroad Company ("INRD") trains per week.<sup>1</sup> INRD trains have successfully been rerouted over a line of the Louisville & Indiana Railroad Company since July of 2009 pursuant to a haulage agreement and INRD no longer operates over the Line. However, if INRD were to restart overhead service over the Line again, CSXT's discontinuance would not affect INRD's ability to provide service.

The only alternative would be not to discontinue service. If CSXT did not discontinue service, it would have to either impose the operating loss and maintenance costs of retaining the Line on all other CSXT customers, or CSXT would have to absorb the loss. Passing the cost on to other CSXT customers would result in a cross-subsidization of the Line by non-users, while absorbing the losses would not be a prudent utilization of carrier resources.

Two maps which delineate the proposed project are attached. (See Attachments 1 and 2)

**1105.8(d)**

- (1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action.**

Attached are copies of the Bedford quadrangle topographic map prepared by the U. S. Department of Interior Geological Survey. The line to be abandoned has been identified by a heavy red line with black dashes. (See Attachments 3 through 8)

There are 13 CSXT-owned structures that are 50 years old or older that may be eligible for listing in the National Register that are part of the proposed action. However, since the proposed action is a discontinuance of service and salvage activities are not anticipated, no potentially historic structures should be adversely effected.

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<sup>1</sup> See *The Indiana Rail Road Company – Acquisition – Soo Line Railroad Company*, STB Finance Docket No. 34783 (STB served April 11, 2006).

- (2) A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristic of the surrounding area:**

The right of way width along this right of way varies, but is approximately 50 feet from the centerline of track. The rail line runs generally north and east and traverses several communities and a significant amount of farming land.

- (3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area:**

Color Photographs of the structures have been printed on 75-year archival paper and included. (See Attachments 9 through 20)

- (4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known:**

- Bridge Number 260.6 is located in the town of Orleans, IN. This is a 25-foot deck-beam bridge that traverses a stream and was built in 1958.
- Bridge Number 280.2 is located in the town of Salem, IN. This is a 28-foot deck-beam bridge that traverses Highland Creek and was built in 1912.
- Bridge Number 280.7 is located in the town of Salem, IN. This is a 61-foot deck-beam bridge that traverses Highland Creek and was built in 1912.
- Bridge Number 282.2 is located in the town of Salem, IN. This is a 55-foot stone-arch bridge that traverses a stream and was built in 1920.
- Bridge Number 283.7 is located in the town of Fogg, IN. This is a 78-foot deck-beam bridge that traverses the Blue River and was built in 1930.
- Bridge Number 284.5 is located in the town of Fogg, IN. This is a 42-foot deck-beam bridge that traverses the Blue River and was built in 1928.

- Bridge Number 284.9 is located in the town of Fogg, IN. This is a 40-foot deck-beam bridge that traverses a stream and was built in 1953.
- Bridge Number 289.8 is located in the town of Pekin, IN. This is a 96-foot deck-plate girder bridge that traverses the Blue River and was built in 1914.
- Bridge Number 294.5 is located in the town of Pekin, IN. This is a 108-foot deck-beam bridge that traverses the Blue River and was built in 1930.
- Bridge Number 297.4 is located in the town of Borden, IN. This is a 24-foot deck-beam bridge that traverses a stream and was built in 1930.
- Bridge Number 298.4 is located in the town of Borden, IN. This is a 39-foot deck-beam bridge that traverses Packwood Creek and was built in 1929.
- Bridge Number 300.1 is located in the town of Borden, IN. This is a 60-foot deck-beam bridge that traverses Dry Fork and was built in 1929.
- Bridge Number 303.7 is located in the town of Borden, IN. This is a 103-foot deck-beam bridge that traverses Silver Creek and was built in 1930.

These structures have been modified as necessary throughout their existence to maintain safe railroad operation and perform routine maintenance.

**(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action:**

This line was originally built by the New Albany & Salem Railroad and opened in 1854. In October of 1859, the company changed its name to the Louisville, New Albany & Chicago Railroad Company (LN&C). On May 5, 1881, the LN&C consolidated with the Chicago & Indianapolis Air Line Railway Company with the consolidated company retaining the name of the LN&C. The LN&C was purchased under foreclosure on March 10, 1897, with the new

company being organized on March 31, 1897, as the Chicago, Indianapolis & Louisville Railway Company (CI&L). The CI&L took possession of the property on or about July 1, 1897.

On May 20, 1902, the Louisville and Nashville Railroad Company (L&N) and the Southern Railway Company jointly acquired capital stock of the CI&L, otherwise known as the "Monon." The Monon was eventually merged into the L&N in 1971.

In 1972 The Family Lines was adopted to identify the L&N and the Seaboard Coast Line Railroad. On November 1, 1980, Seaboard Coast Line Industries Inc. and Chessie System Inc. merged and became CSX Corporation. On April 30, 1987, the Baltimore & Ohio Railroad Company was merged into the Chesapeake and Ohio Railway Company. The Chesapeake and Ohio Railway Company was merged into CSX Transportation on September 2, 1987.

Upon receiving abandonment authority, Applicant's operations and maintenance over this line will cease; however, the INRD will continue to retain overhead trackage rights for future use.

- (6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic:**

Engineering Sketches of the proposed bridges can be provided upon request.

- (7) An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities):**

A review of our records indicates there are thirteen (13) CSXT-owned structures over 50 years old on this line segment that may be eligible for listing in the National Register.

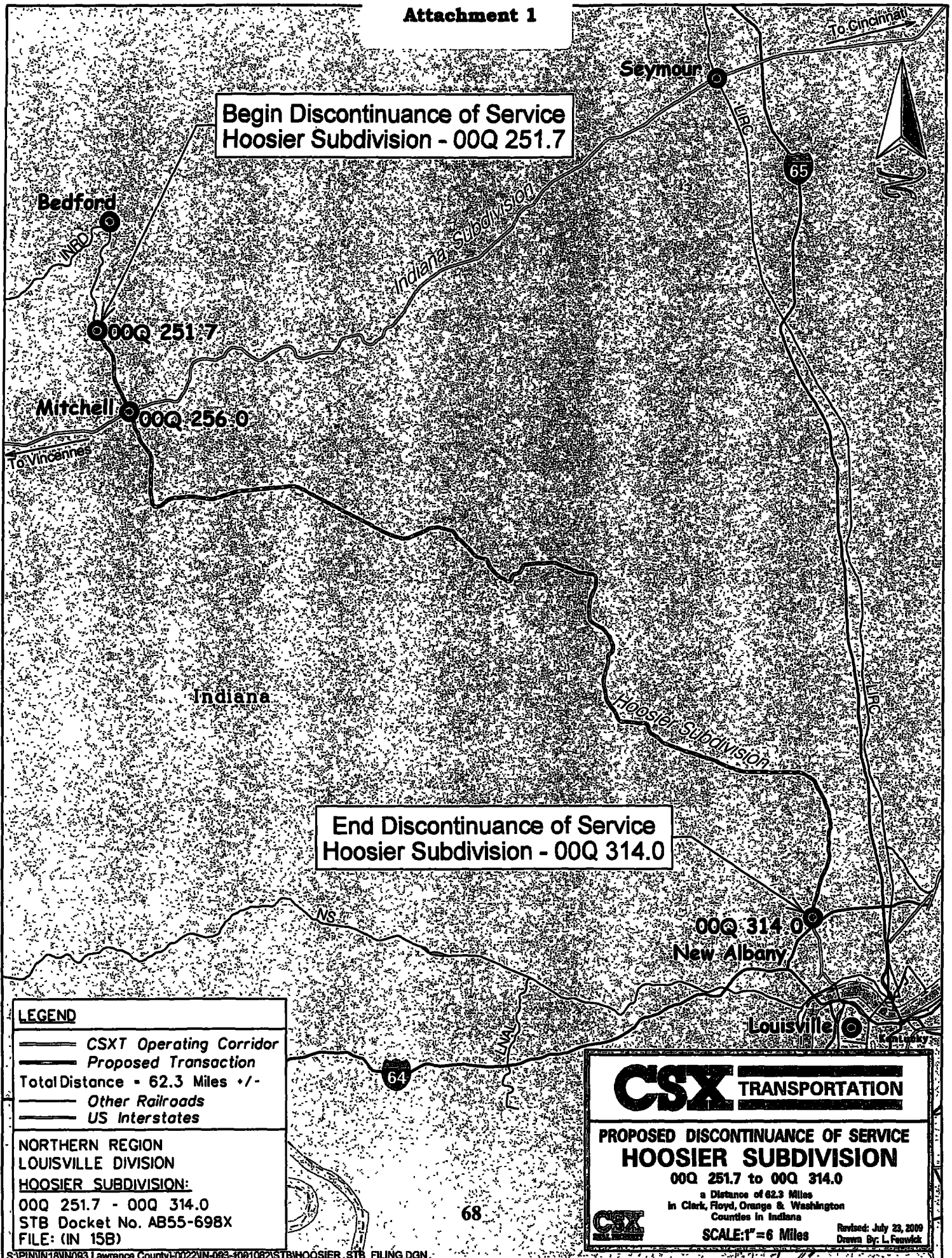
We do not know of any significance or uniqueness to this structure that would warrant your consideration, since to our knowledge, it is not associated with any event that has made a contribution to the broad patterns of history; or were not associated with lives of

persons significant to our past; do not embody the distinctive characteristics of a type, period or method of construction; and do not represent a significant and distinguishable entity whose components may lack individual distinction and have not or may not be likely to yield information important in prehistory or history.

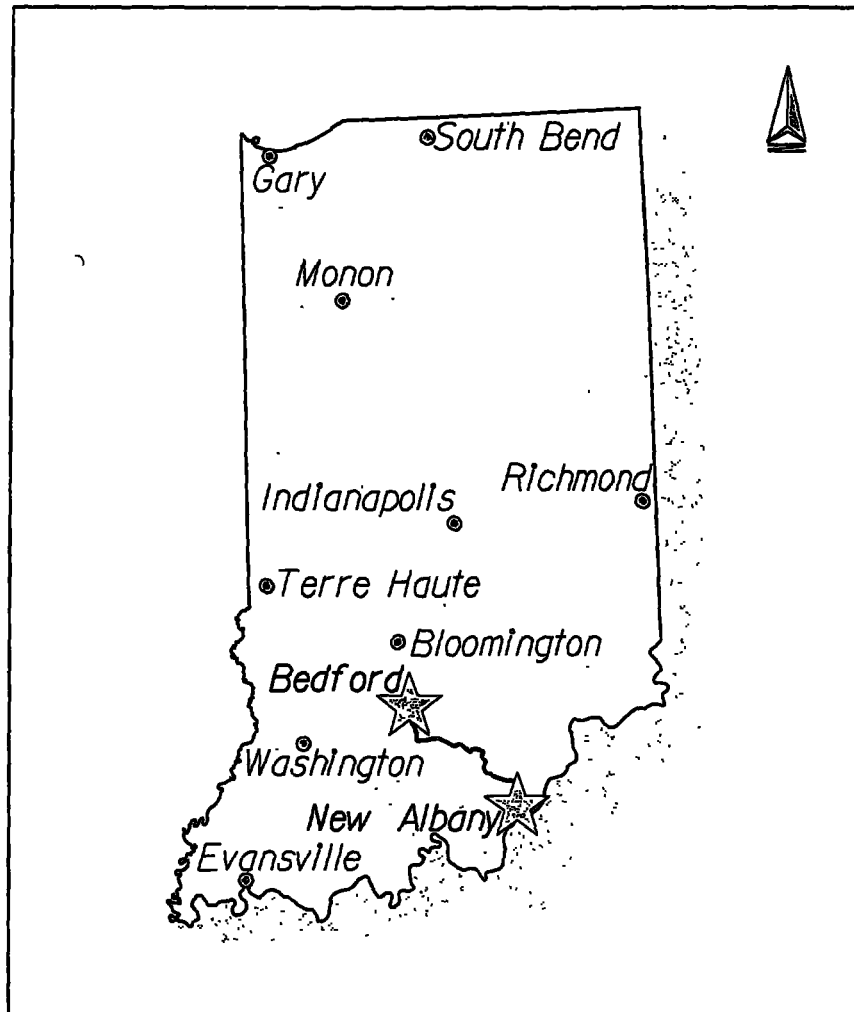
We do not know of any archeological resources or any other previously unknown historic properties in the project area.

- (8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or man-made) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.**

The line was disturbed during construction by cuts and fill and any archeological resources that may have been located in the proposed project area would have been affected at that time versus during the proposed salvage operations associated with rail removal. Our records do not indicate that any swampy conditions exist, or that any hazardous material spills have occurred within the project area.



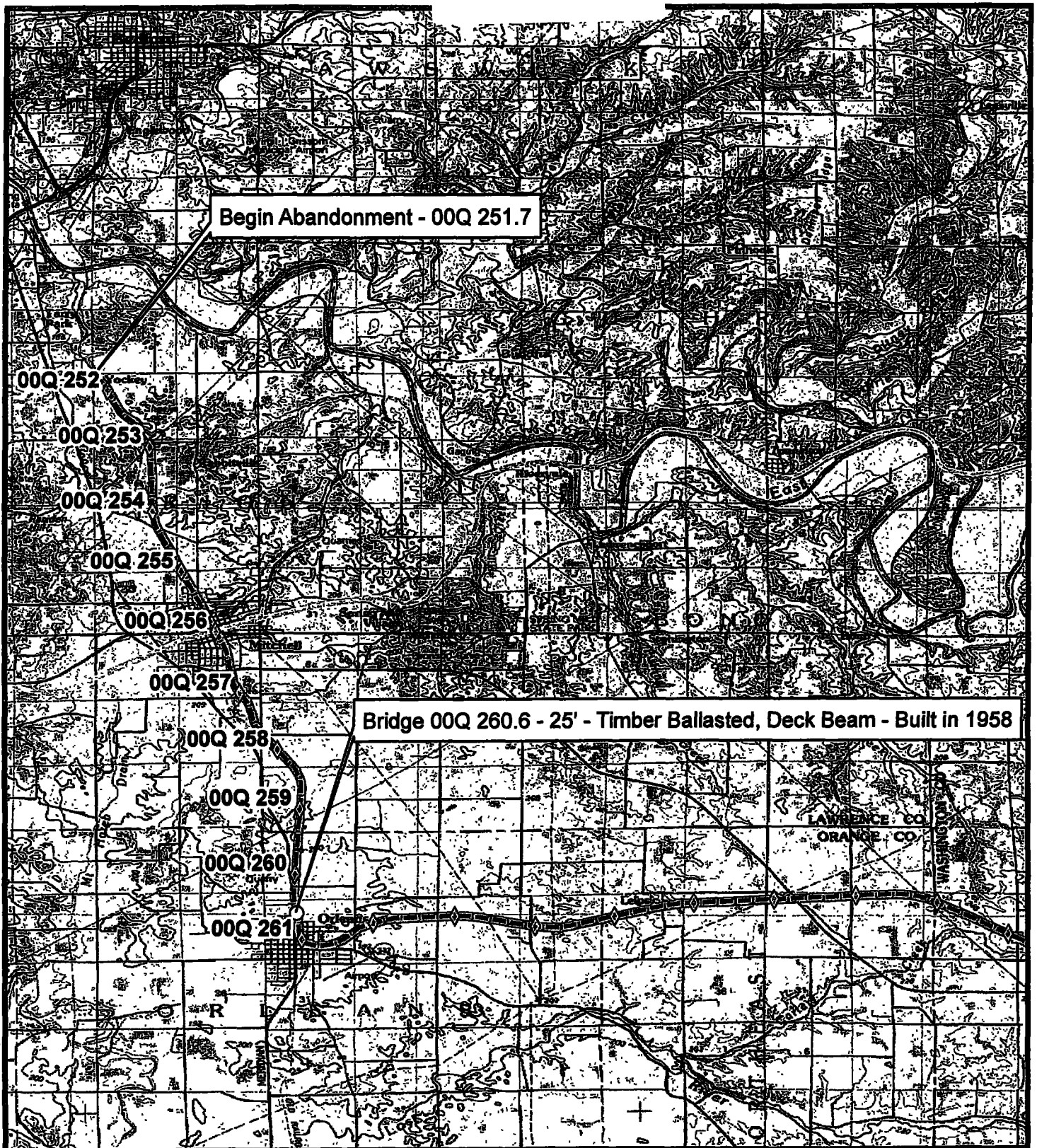




### AREA MAP

Proposed Discontinuance of Service  
on a portion of the Hoosier Subdivision  
00Q 251.7 (Near Bedford) to 00Q 314.0 (Near New Albany)  
a distance of 62.3 Miles +/- in  
Clark, Floyd, Lawrence, Orange  
and Washington Counties, Indiana

# Attachment 3



## Legend



SUBJECT

CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -

N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)

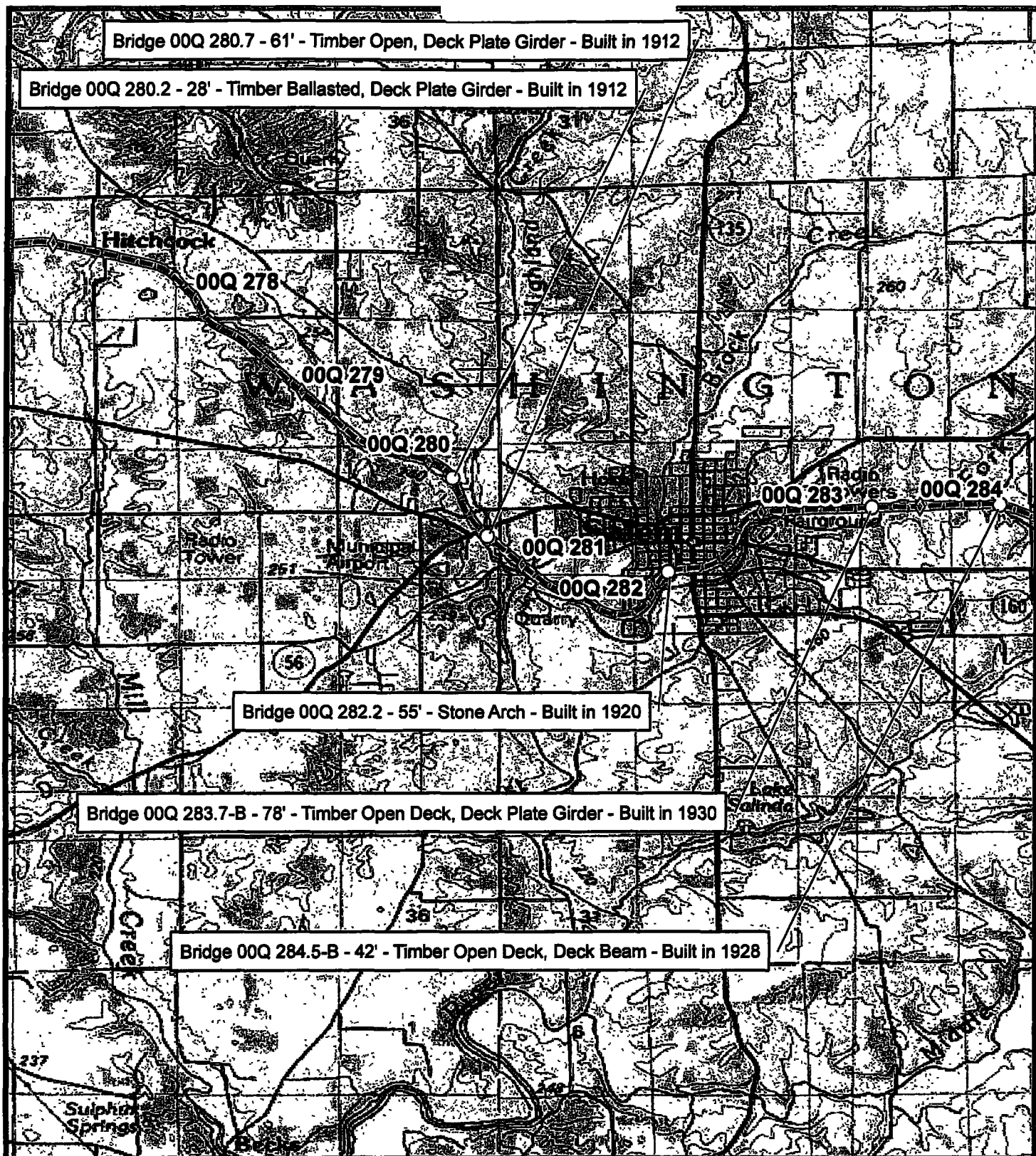
Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)



REAL PROPERTY  
GIS MAPPING SERVICES

Drawn By: L. Fenwick  
Rev. Date: July 30, 2009

# Attachment 4



Bridge 00Q 282.2 - 55' - Stone Arch - Built in 1920

Bridge 00Q 283.7-B - 78' - Timber Open Deck, Deck Plate Girder - Built in 1930

Bridge 00Q 284.5-B - 42' - Timber Open Deck, Deck Beam - Built in 1928

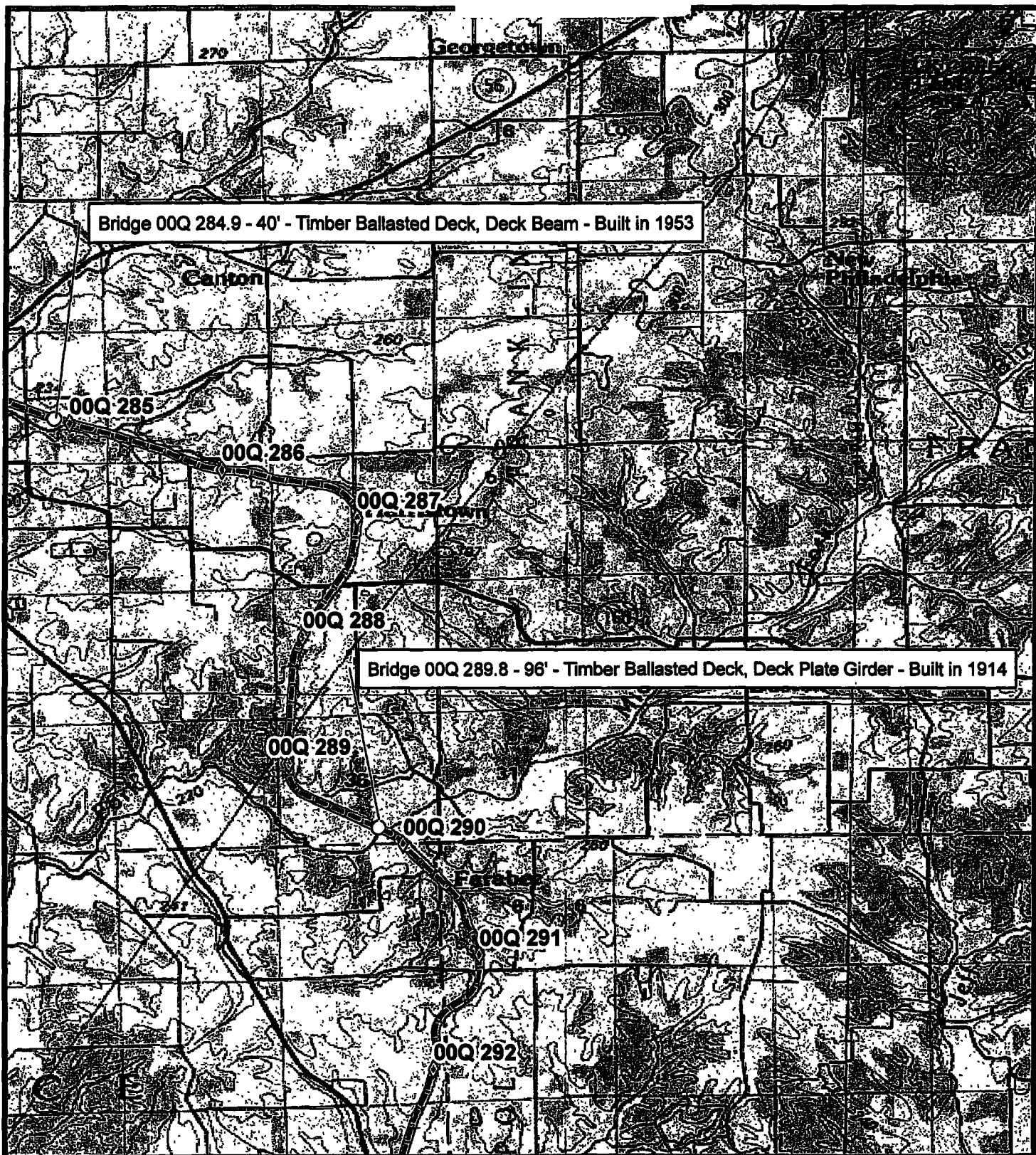


## Legend

SUBJECT  
CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"  
Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)  
Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009



**Legend**

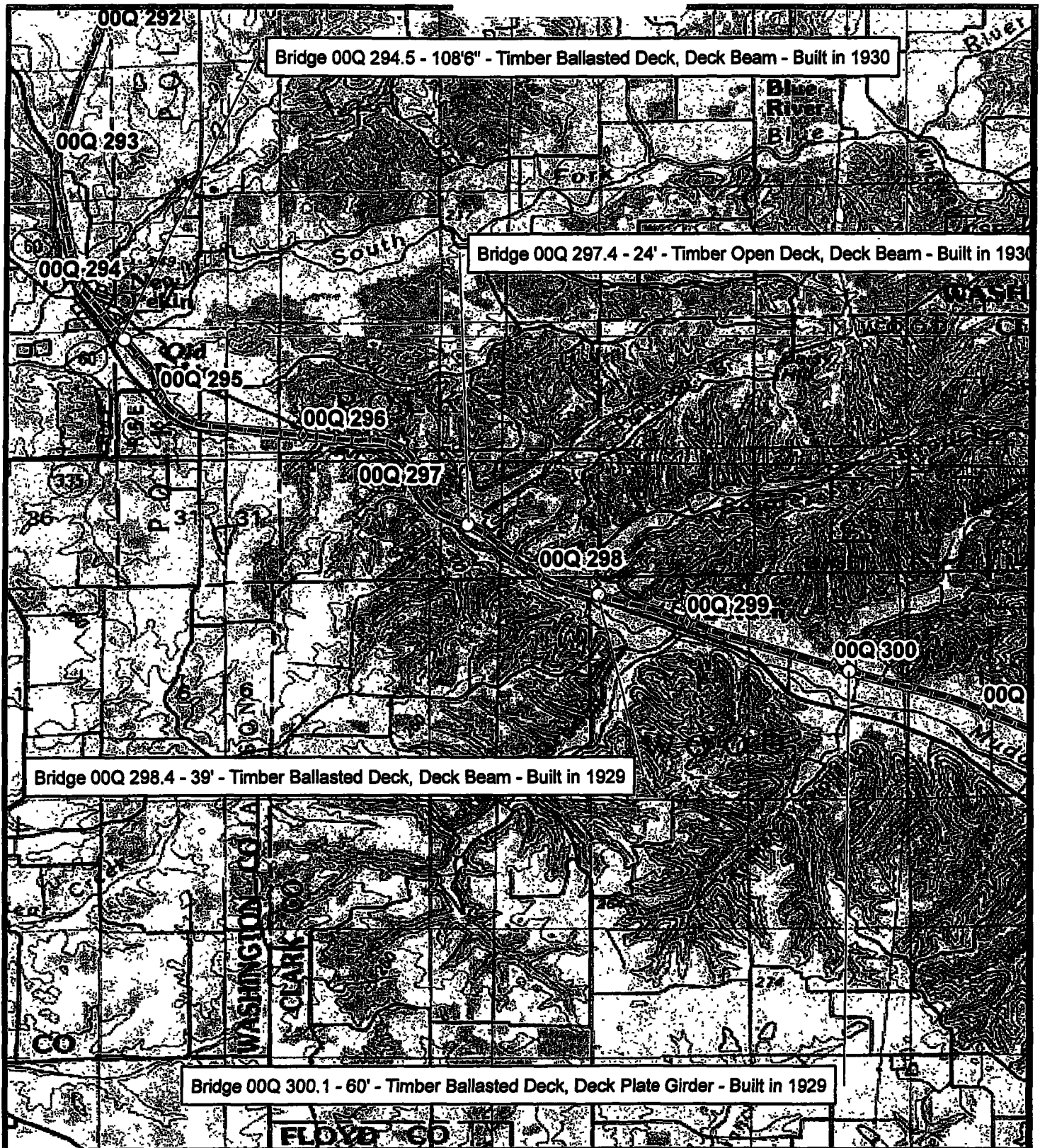
**SUBJECT**  
CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"  
Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)  
Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009



# Attachment 6

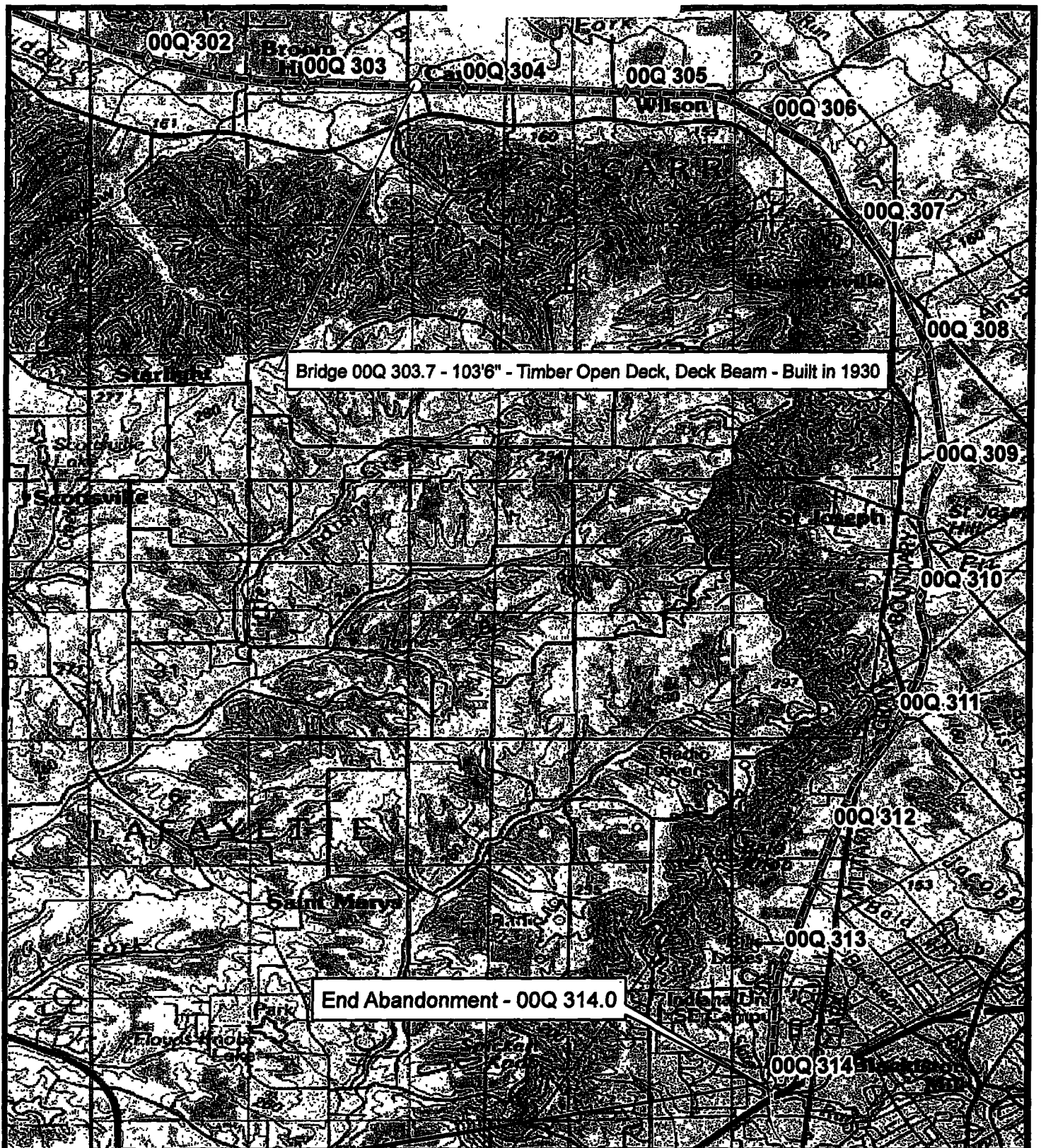


## Legend

 SUBJECT  
CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"  
Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)  
Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009



**Legend**

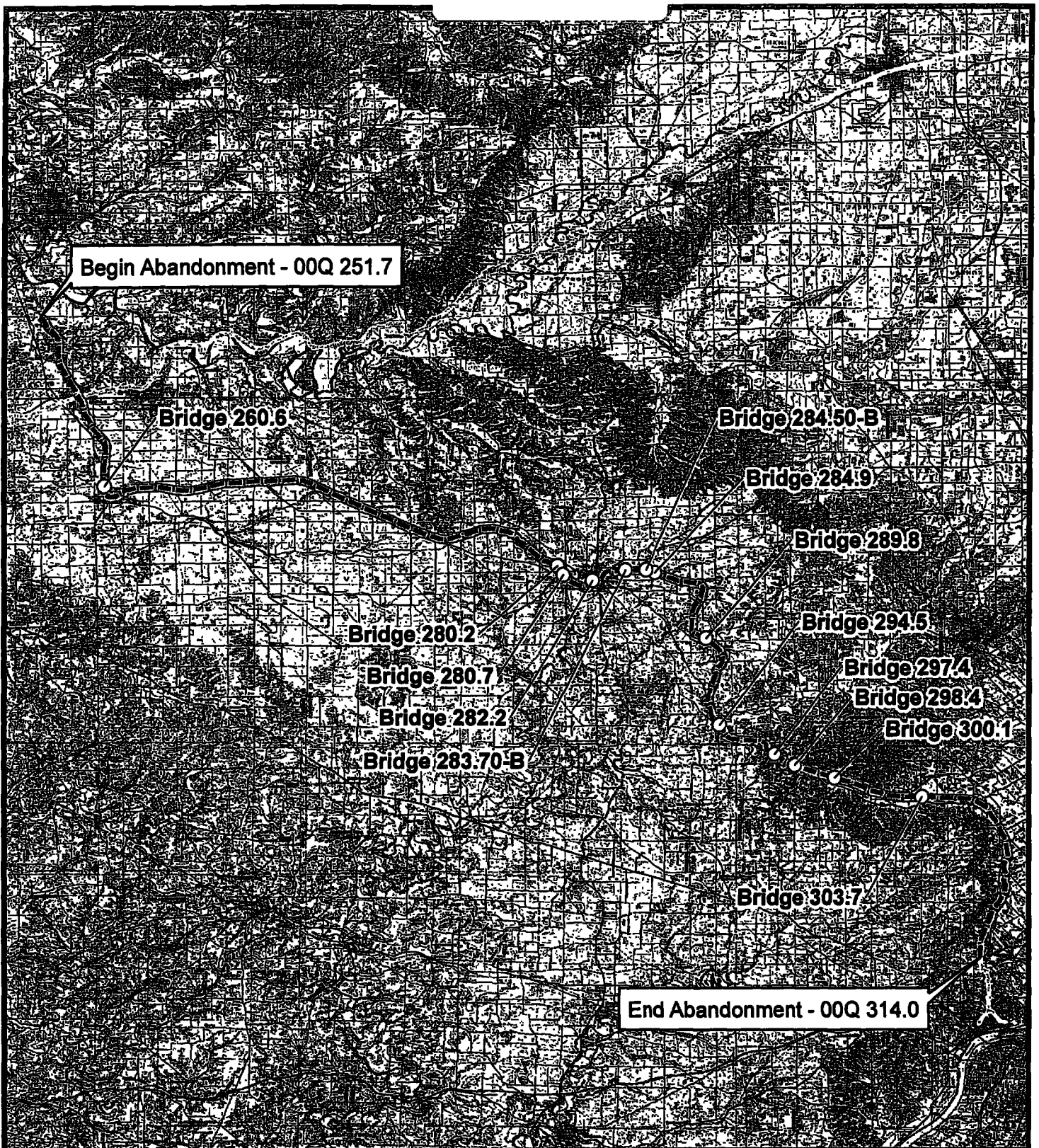
 **SUBJECT**  
CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)  
Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009


# Attachment 8



0 2.5 5 10  
Miles



## Legend

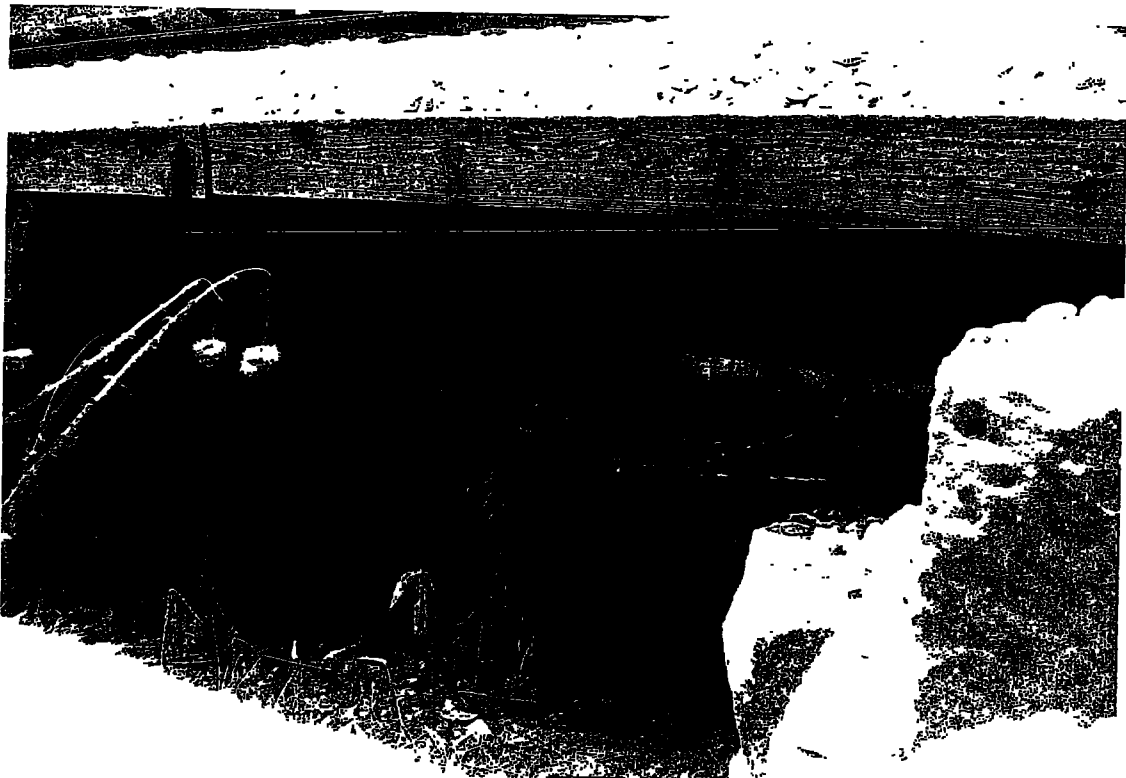
 SUBJECT  
CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)  
Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009



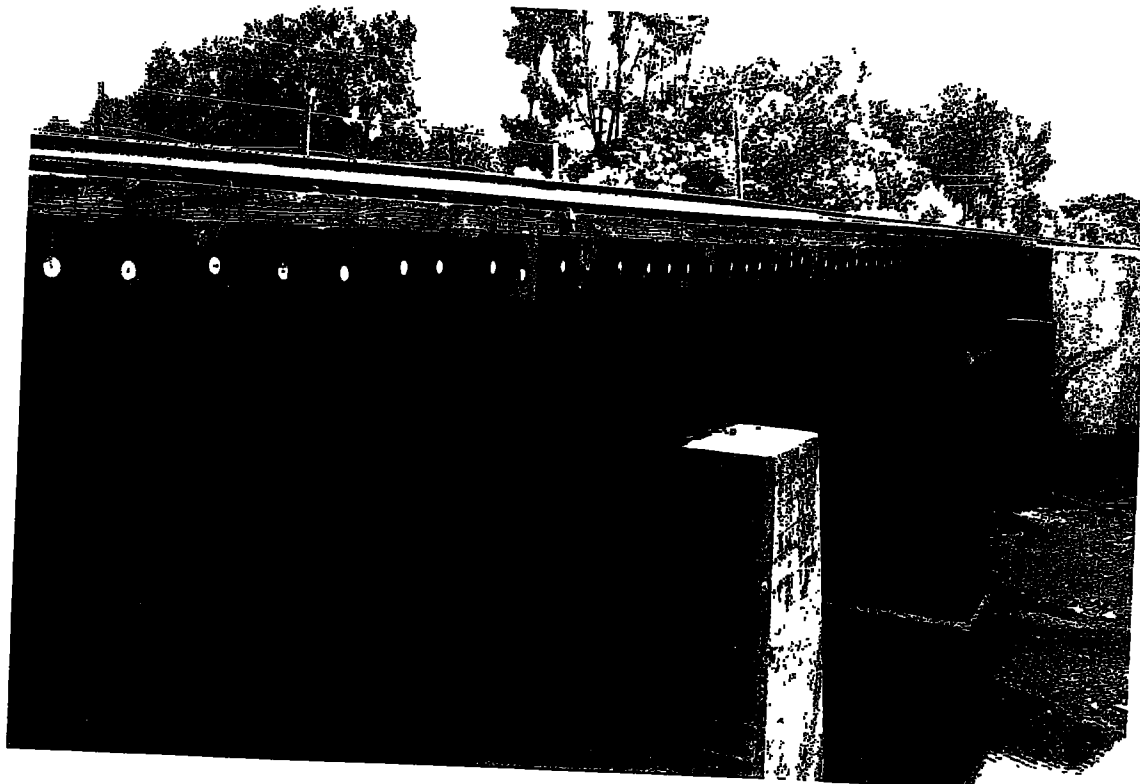




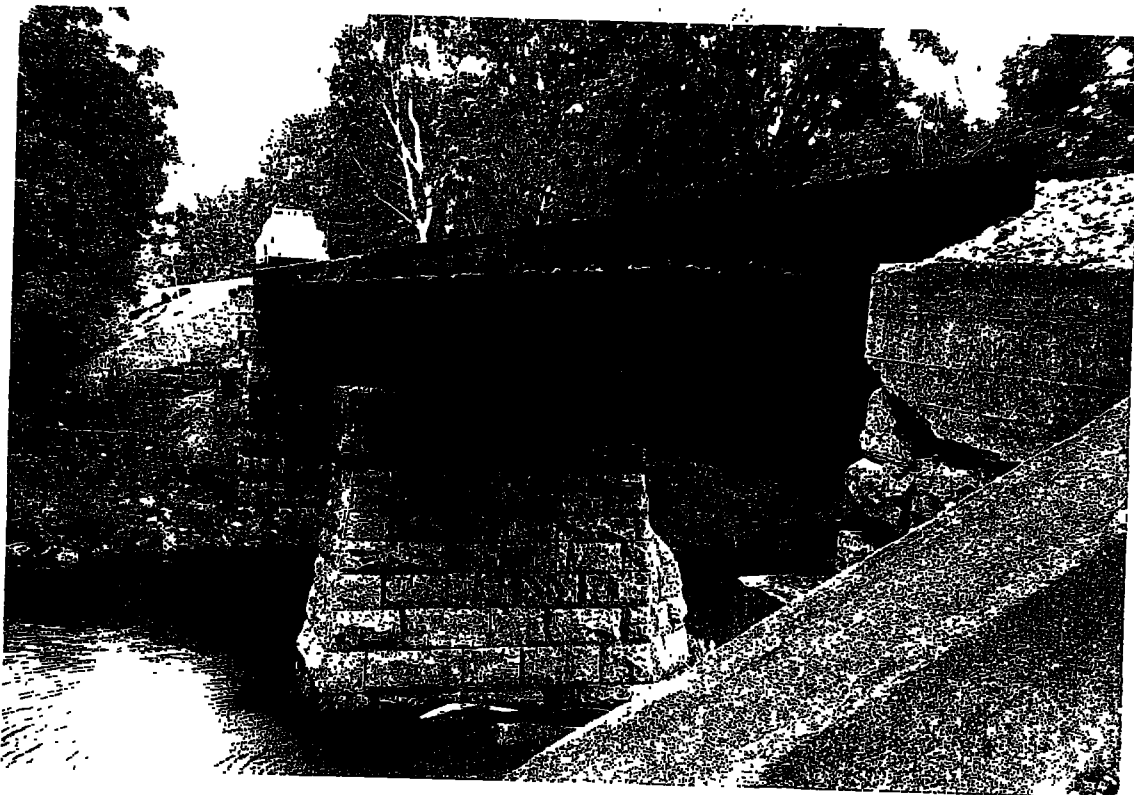




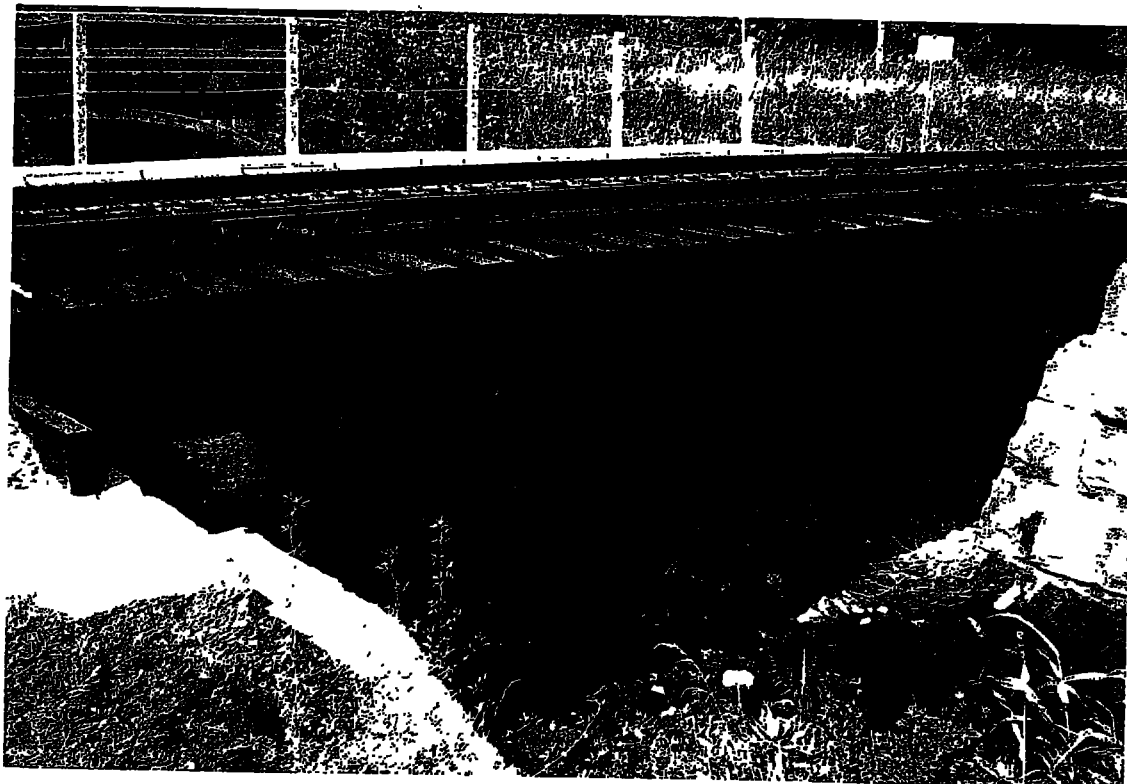




















## **EXHIBIT D—FEDERAL REGISTER NOTICE**

CSX TRANSPORTATION, INC.—DISCONTINUANCE OF SERVICE EXEMPTION—  
IN CLARK, FLOYD, LAWRENCE, ORANGE, AND WASHINGTON COUNTIES, IN

Notice of Petition for Exemption to Discontinue Service

On December 18, 2009 CSX Transportation, Inc. (“CSXT”) filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for the discontinuance of service over a 62.3-mile rail line on its Northern Region, Louisville Division, Hoosier Subdivision between near Bedford, milepost 00Q 251.7, and near New Albany, milepost 00Q 314.0, all in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN, all of which traverses through United States Postal Service ZIP Codes 47150, 47172, 47106, 47143, 47165, 47167, 47108, 47452, 47446, and 47421 (the “Line”). The Line for which the discontinuance of service exemption request was filed includes the following stations: Orleans, milepost 00Q 262, Leipsic, milepost 00Q 267, Campbellsburg, milepost 00Q 273, Salem, milepost 00Q284, Pekin, milepost 00Q 295, and Borden, milepost 00Q 300.

The Line does not contain federally granted rights-of-way. Any documentation in the railroad’s possession will be made available promptly to those requesting it.

The interest of railroad employees of CSXT will be protected by *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979).

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption.

Persons seeking further information concerning discontinuance of service procedures may contact the Surface Transportation Board or refer to the full discontinuance regulations at 49 CFR Part 1152. Questions concerning environmental issues may be directed to the Board's

Section of Environmental Analysis (“SEA”). An environmental assessment (“EA”) (or environmental impact statement (“EIS”), if necessary) prepared by SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact SEA. EAs in this discontinuance of service proceeding normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

# **EXHIBIT E-NEWSPAPER CERTIFICATION**

## **CERTIFICATE OF PUBLICATION**

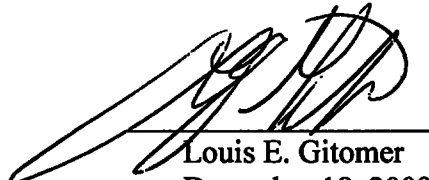
The undersigned hereby certifies that notice of the proposed discontinuance of service in Docket No. AB-55 (Sub-No. 698X), as required by 49 C.F.R. § 1105.12, was advertised on:

December 18, 2009 in The Evening News and The Tribune a newspaper of general circulation in Clark and Floyd Counties, IN;

December 17, 2009 in the Times-Mail a newspaper of general circulation in Lawrence County, IN;

December 17, 2009 in the Paoli Republican a newspaper of general circulation in Orange County, IN; and

December 17, 2009 in The Salem Democrat a newspaper of general circulation in Washington County, IN.



Louis E. Gitomer  
December 18, 2009

CSX Transportation, Inc. gives notice that on or about December 18, 2009 it intends to file with the Surface Transportation Board, Washington, DC 20423, a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903, *et seq.*, permitting the discontinuance of service on a 62.3-mile line of railroad between railroad milepost 00Q 251.7, near Bedford which traverses through United States Postal Service ZIP Codes 47150, 47172, 47106, 47143, 47165, 47167, 47108, 47452, 47446, and 47421, and railroad milepost 00Q 314, near New Albany in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN. The proceeding has been docketed as No. AB-55 (Sub-No.698X).

The Board's Section of Environmental Analysis ("SEA") will generally prepare an Environmental Assessment ("EA"), which will normally be available 60 days after the filing of the petition for discontinuance of service exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to SEA, Surface Transportation Board, Washington, DC 20423 or by calling SEA at 202-245-0295.

Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as offers of financial assistance) must be filed directly with the Board's Section of Administration, Office of Proceedings, 395 E Street, SW, Washington, DC 20423-0001 [ *See* 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicant's representative [ *See* 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Public Assistance, Governmental Affairs, and Compliance at 202-245-0233. Copies of any comments or requests for conditions should be served on the applicant's representative Louis E. Gitomer, Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou\_Gitomer@verizon.net.



**EXHIBIT F-VERIFIED STATEMENT OF  
ELLEN M. PRESLAR**

## VERIFIED STATEMENT OF ELLEN M. PRESLAR

I am Ellen M. Preslar, Manager Regulatory Costing in the Finance department, CSX Transportation, Inc. In this job, I am responsible for the preparation of cost analyses, including those required for abandonments and discontinuances of service under 49 CFR Subpart D. I have prepared the attached revenue and cost statement in accordance with my understanding of the rules in 49 CFR Subpart D.

## VERIFICATION

I, Ellen M. Preslar, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed December 10, 2009

Ellen M. Preslar  
Ellen M. Preslar

**AFFIDAVIT**

STATE OF FLORIDA     )  
                                      )  
DUVAL COUNTY         )

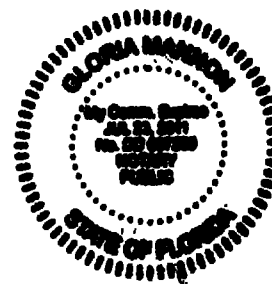
ELLEN M. PRESLAR, being duly sworn, deposes and says that she has personal knowledge of Subsections (d)(1), (d)(2), and (d)(3) of the foregoing Application, knows the contents thereof, and the same is true as stated.

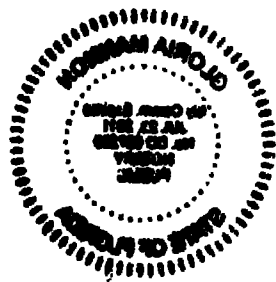
Ellen M. Preslar  
ELLEN M. PRESLAR

Subscribed and sworn to before me,  
a Notary Public in and for the  
State and County above named,  
this 10<sup>th</sup> day of December, 2009.

Gloria Mannon

Notary Public  
My Commission Expires 7/23/2011





**CSX Transportation, Inc. - Discontinuance of Service**  
**Line Segment: Hoosier Subdivision, IN**

	Base Year ending 06/30/2009 <b>3 CL</b>	Forecast Yr beginning 12/01/2009 <b>3 CL</b>	Subsidy Year ending 12/31/2010 <b>3 CL</b>
<b>Revenues Attributable</b>			
1. Freight Originated &/or Terminated On Branch	\$ 5,769	\$ 5,884	\$ 5,884
2. Bridge Traffic	-	-	-
3. All Other Revenue and Income	965,964	-	-
4. Total Revenues Attributable (Lines 1 thru 3)	\$ 971,733	\$ 5,884	\$ 5,884
<b>Avoidable Costs</b>			
5. Total On-Branch Costs (Lines 5a thru 5k)	\$ 931,770	\$ 311,841	\$ 311,848
a. Maintenance of Way and Structures	15,000	310,000	310,000
b. Maintenance of Equipment - Locomotives	190	183	183
c. Transportation	1,239	1,133	1,140
d. Joint Facilities	914,810	-	-
e. Deadheading, Taxi and Hotel	-	-	-
f. Overhead Movement	-	-	-
g. Freight Car Costs (o/t Return on Freight Cars)	69	63	63
h. Return on Value - Locomotives	378	378	378
i. Return on Value - Freight Cars	84	84	84
j. Revenue Taxes	-	-	-
k. Property Taxes	-	-	-
6. Total Off-Branch Costs (Lines 6a and 6b)	\$ 4,622	\$ 4,242	\$ 4,259
a. Off-Branch Costs (o/t Return on Freight Cars)	4,181	3,801	3,818
b. Return on Value - Freight Cars	441	441	441
7. Total Avoidable Costs (Lines 5 and 6)	\$ 936,392	\$ 316,083	\$ 316,107
<b>Subsidization Costs</b>			
8. Rehabilitation	xxxx	xxxx	
9. Administration Costs	xxxx	xxxx	
10. Casualty Reserve Account	xxxx	xxxx	
11. Total Subsidization Costs (Lines 8 thru 10)	xxxx	xxxx	\$ -
<b>Return on Value</b>			
12. Valuation of Property (Lines 12a thru 12c)	xxxx	\$ N/A	\$4,485,931
a. Working Capital	xxxx		12,791
b. Income Tax Consequences	xxxx		-
c. Net Liquidation Value	xxxx		4,473,140
13. Nominal Rate of Return	xxxx	%	18.1%
14. Nominal Return on Value (Line 12 * Line 13)	xxxx		811,953
15. Holding Gain (Loss) @ 3.6%	xxxx		161,033
16. Total Return on Value (Line 14 less Line 15)	xxxx	\$ N/A	\$ 650,920
17. Avoidable Loss from Operations (Line 7 less Line 4)	\$ (35,341)	\$ 310,199	\$ 310,223
18. Estimated Forecast Year Loss from Operations (Lines 7 and 16 less Line 4)		\$ 310,199	
19. Estimated Subsidy Year Loss from Operations (Lines 7, 11 and 16 less Line 4)			\$ 961,143

**CSX Transportation, Inc. - Discontinuance of Service**

**Line Segment: Hoosier Subdivision, IN**

Forecast Year beginning 12/01/2009 - Bifurcation

A: Apx 59.1 miles, 00Q251.7 (near Bedford) to 00Q310.8 (cut at patron location)

B: Apx 3.2 miles, 00Q310.8 (cut at patron location) to 00Q314.0 (New Albany)

	<b>A</b> <b>No CL</b>	<b>B</b> <b>3 CL</b>
<b>Revenues Attributable</b>		
1. Freight Originated &/or Terminated On Branch	\$ -	\$ 5,884
2. Bridge Traffic	-	-
3. All Other Revenue and Income	-	-
4. Total Revenues Attributable (Lines 1 thru 3)	\$ -	\$ 5,884
<b>Avoidable Costs</b>		
5. Total On-Branch Costs (Lines 5a thru 5k)	\$295,000	\$ 16,841
a. Maintenance of Way and Structures	295,000	15,000
b. Maintenance of Equipment - Locomotives	-	183
c. Transportation	-	1,133
d. Joint Facilities	-	-
e. Deadheading, Taxi and Hotel	-	-
f. Overhead Movement	-	-
g. Freight Car Costs (o/t Return on Freight Cars)	-	63
h. Return on Value - Locomotives	-	378
i. Return on Value - Freight Cars	-	84
j. Revenue Taxes	-	-
k. Property Taxes	-	-
6. Total Off-Branch Costs (Lines 6a and 6b)	\$ -	\$ 4,242
a. Off-Branch Costs (o/t Return on Freight Cars)	-	3,801
b. Return on Value - Freight Cars	-	441
7. Total Avoidable Costs (Lines 5 and 6)	\$295,000	\$ 21,083
<b>Subsidization Costs</b>		
8. Rehabilitation	XXXX	XXXX
9. Administration Costs	XXXX	XXXX
10. Casualty Reserve Account	XXXX	XXXX
11. Total Subsidization Costs (Lines 8 thru 10)	XXXX	XXXX
<b>Return on Value</b>		
12. Valuation of Property (Lines 12a thru 12c)	\$ N/A	\$ N/A
a. Working Capital		
b. Income Tax Consequences		
c. Net Liquidation Value		
13. Nominal Rate of Return	%	%
14. Nominal Return on Value (Line 12 * Line 13)		
15. Holding Gain (Loss)		
16. Total Return on Value (Line 14 less Line 15)	\$ N/A	\$ N/A
17. Avoidable Loss from Operations (Line 7 less Line 4)	\$295,000	\$ 15,199
18. Estimated Forecast Year Loss from Operations (Lines 7 and 16 less Line 4)	\$295,000	\$ 15,199

**CSX Transportation, Inc. - Discontinuance of Service****Line Segment: Hoosier Subdivision, IN**

	Carloads	One patron, L Thorn Company (Brick, STCC 3251115), received service during the base year period, with all three (3) carloads terminating at that location during the last half of Year 2008. Historically, carloads for this patron have declined from a high of 166 carloads in 2003 to 17 carloads in 2007, 3 in 2008, and none year-to-date 2009.
Line 1	Freight Revenues	Base year = total CSXT waybill revenues; Forecast and Subsidy years reflect Base year revenues with potential increase (2.0%).
Line 2	Bridge Traffic	During previous periods, CSXT operated overhead trains on the Hoosier Sub; however, this practice was ended in late 2007 when CSXT trains were rerouted. CSXT local trains continued to provide service as needed over the Hoosier Sub until May 2009. Currently, the only service needed on the Hoosier Sub is an extra job to protect one customer in New Albany (not impacted by the proposed discontinuance). Revenues and costs for CSXT's overhead trains have been excluded from the Base Year analysis.
Line 3	All Other Revenue and Income	Base year = INRD payment on joint facility for trackage rights over the Hoosier Sub, including interest valuation, taxes, and settlement credit; prorated by miles in study (62.3) to total miles in joint facility (66.0). As of July 2009, INRD has ceased to use these rights, rerouting all overhead traffic. Therefore, Forecast and Subsidy years reflect no revenue from this source.
Line 5	Avoidable On-Branch Costs	Costs for Base year are based on year 2008 unit costs, unindexed since carloads actually moved during 2008. Forecast and Subsidy years reflect cost indexing adjustments.
Line 5a	Maintenance of Way & Structures	For the Base year period, maintenance costs are shown at \$5,000 per mile for approximately three miles required to serve the sole patron on the line. CSXT's portion of maintenance expense on the remainder of the Hoosier Sub, as apportioned by usage through the joint facility with INRD, is excluded from the Base year analysis. Forecast and Subsidy year maintenance is assumed to be \$5,000 per mile for the entire 62+ miles because CSXT would have full responsibility for any maintenance expense with INRD no longer using its trackage rights.
Line 5a	Maintenance of Way & Structures (bifurcation)	For the Forecast year period under the bifurcation scenario, maintenance costs are shown at \$5,000 per mile, breaking out the approximately three miles required to serve the sole patron on the line (B) from the remainder of the Hoosier Sub that would not be needed for any service (A).
Line 5d	Joint Facilities	Base year = INRD's portion of maintenance costs on joint facility for trackage rights over the Hoosier Sub, prorated by miles in study (62.3) to total miles in joint facility (66.0). Total joint facility expenses are apportioned between CSXT and INRD by usage. As of July 2009, INRD has ceased to use these rights, rerouting all overhead traffic. Therefore, Forecast and Subsidy years reflect no maintenance cost responsibility for INRD related to these trackage rights.
Line 16	Return on Value	Forecast year = Not applicable in this Discontinuance proceeding. Value of land and track will remain with CSXT with no potential for disposal under railbanking plan. However, valuation has been calculated for the Subsidy year based on standard estimates of \$50,000 per mile for track and \$21,800 per mile for land, assuming no income tax consequences since no disposal is contemplated.
Line 17	Avoidable Loss from Operations	Base year = contribution includes payment from INRD to cover its portion of taxes and property valuation, based on usage.

# **EXHIBIT G—CERTIFICATE OF SERVICE**

## **CERTIFICATE OF SERVICE**

Pursuant to 49 C.F.R. §1152.60(d), the undersigned hereby certifies that the Petition for Exemption in Docket No. AB-55 (Sub-No. 698X), *CSX Transportation, Inc.—Discontinuance of Service Exemption—in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN* was mailed via first class mail, postage prepaid, on December 18, 2009, to the following parties:

### **State Public Service Commission**

Indiana Department of Transportation  
Rail Office  
100 N. Senate Avenue, Room N955  
Indianapolis, IN 46204-2216

### **Military Surface Deployment and Distribution Command Transportation Engineering Agency**

Headquarters  
Military Surface Deployment and Dist Cmd  
Transportation Engineering Agency  
ATTN: SDTE-SA (Railroads for National Defense)  
709 Ward Drive, Building 1990  
Scott AFB, IL 62225-5357

### **National Park Service**

Mr. Charlie Stockman  
RTCA Program  
National Park Service  
1849 C St., NW (Org Code 2235)  
Washington, DC 20240

### **National Park Service**

U.S. Department of Interior  
National Park Service  
Land Resources Division  
1849 C St., NW  
Washington, DC 20240




**U.S. Department of Agriculture**

U.S. Department of Agriculture  
Chief of the Forest Service  
4th Floor N.W., Auditors' Building  
14th Street and Independence Avenue, S.W.  
Washington, DC 20250

**L. Thorn Company, Inc.**

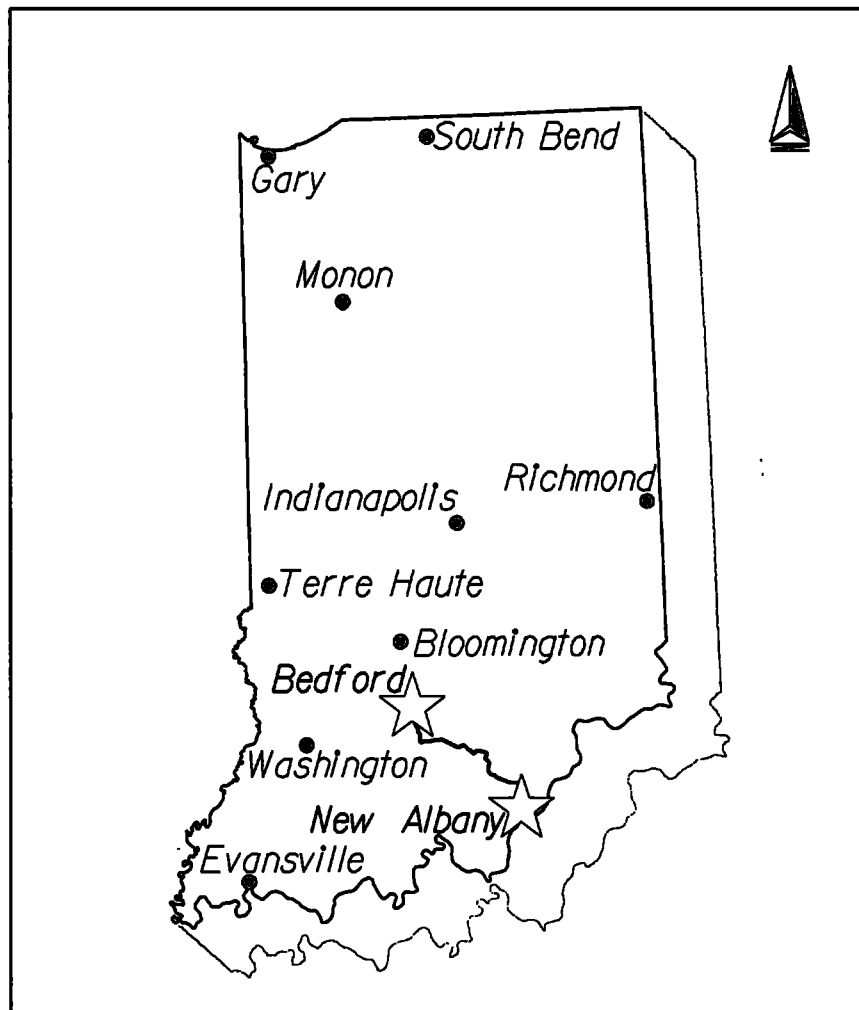
L. Thorn Company, Inc.  
600 Grant Line Road  
New Albany, IN 47151



Louis E. Gitomer  
December 18, 2009

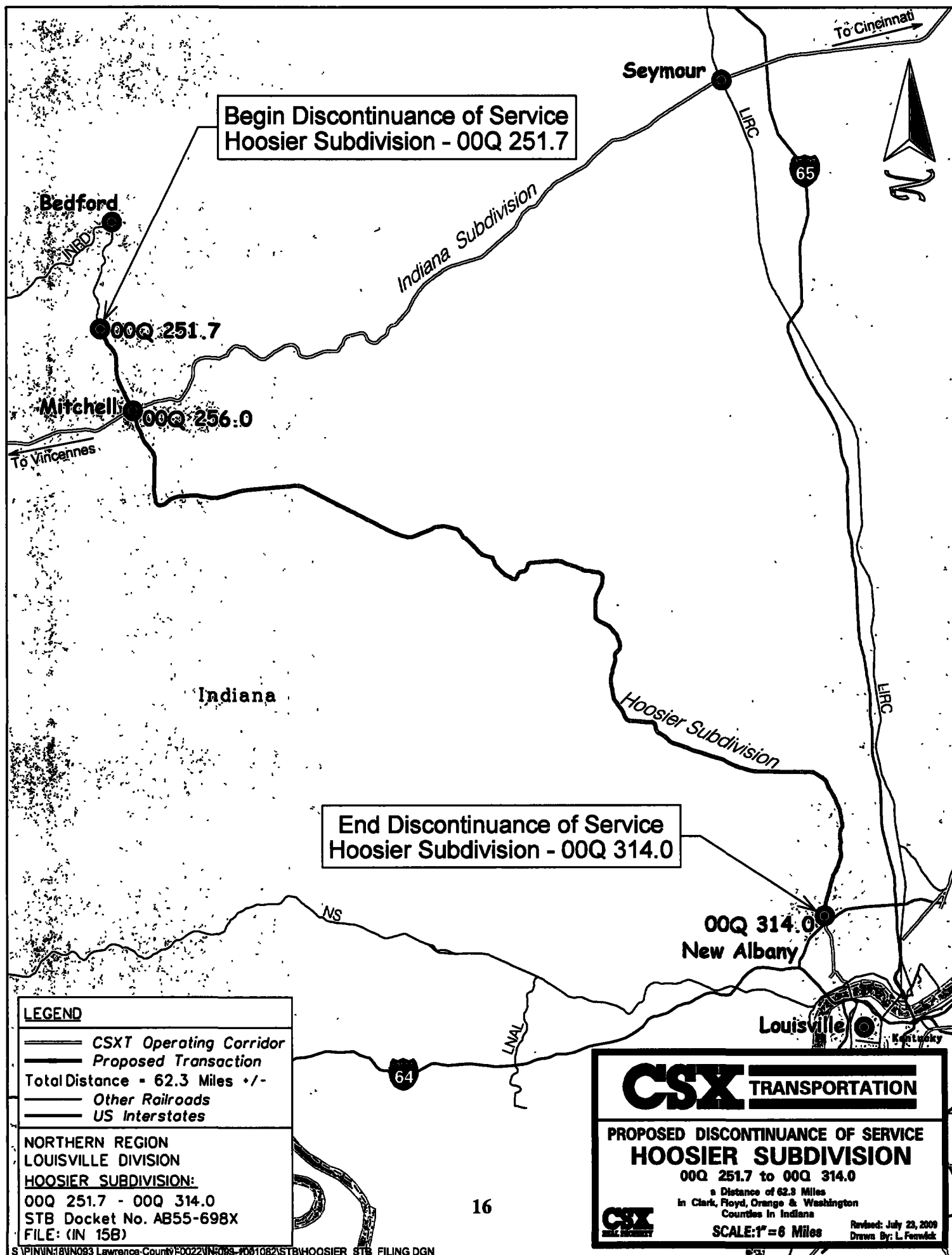
## **EXHIBIT H—COLOR EXHIBITS**

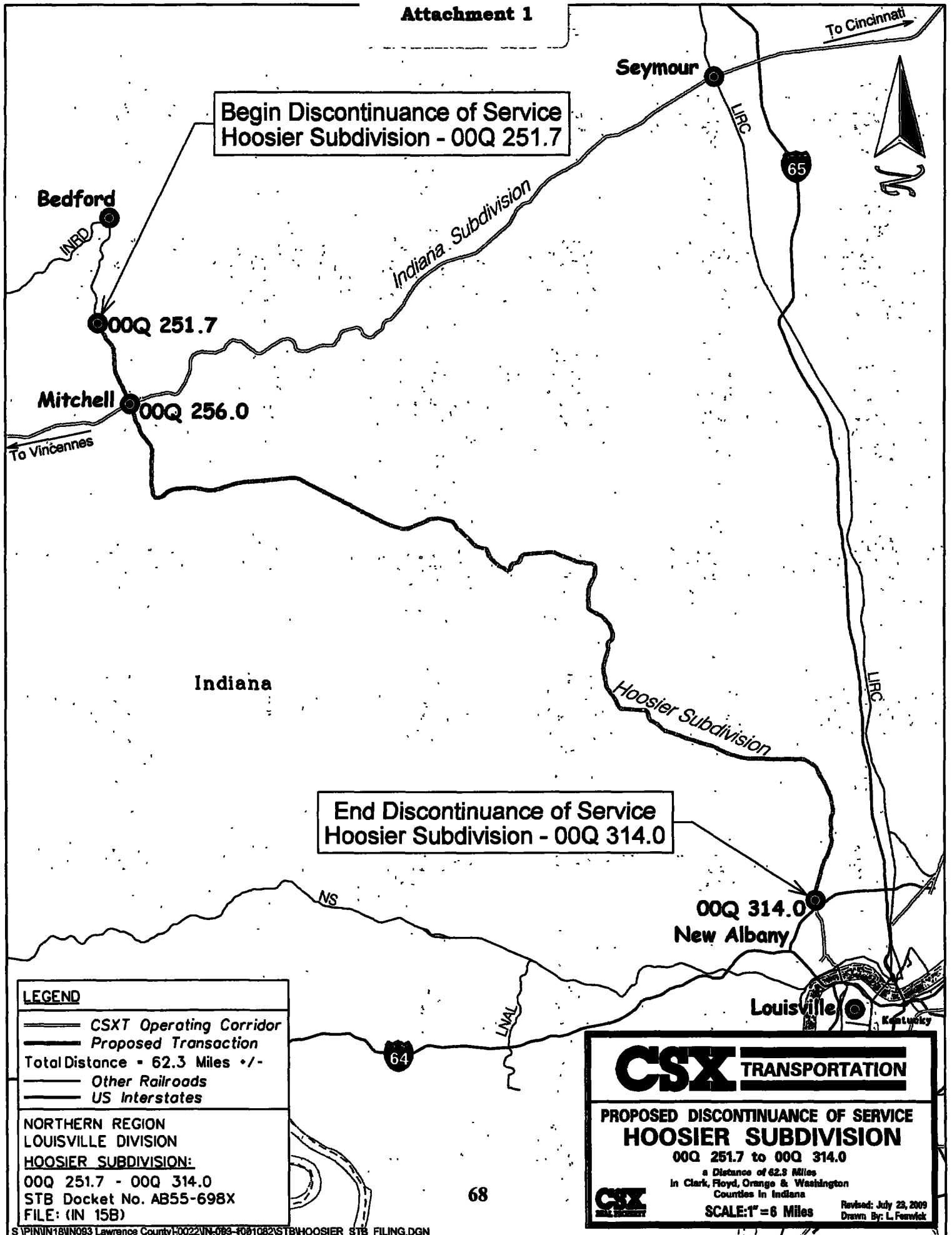
Pages are numbered to correspond to page numbering in the pleading.

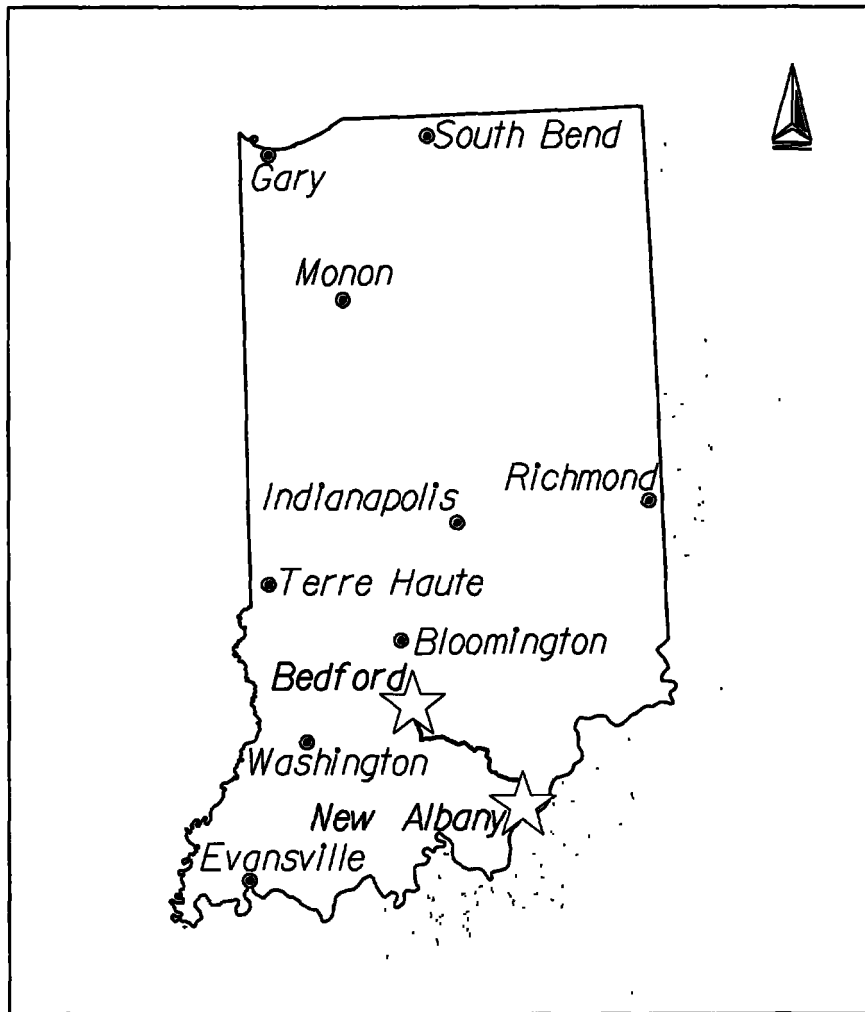


### AREA MAP

**Proposed Discontinuance of Service  
on a portion of the Hoosier Subdivision  
00Q 251.7 (Near Bedford) to 00Q 314.0 (Near New Albany)  
a distance of 62.3 Miles +/- in  
Clark, Floyd, Lawrence, Orange  
and Washington Counties, Indiana**

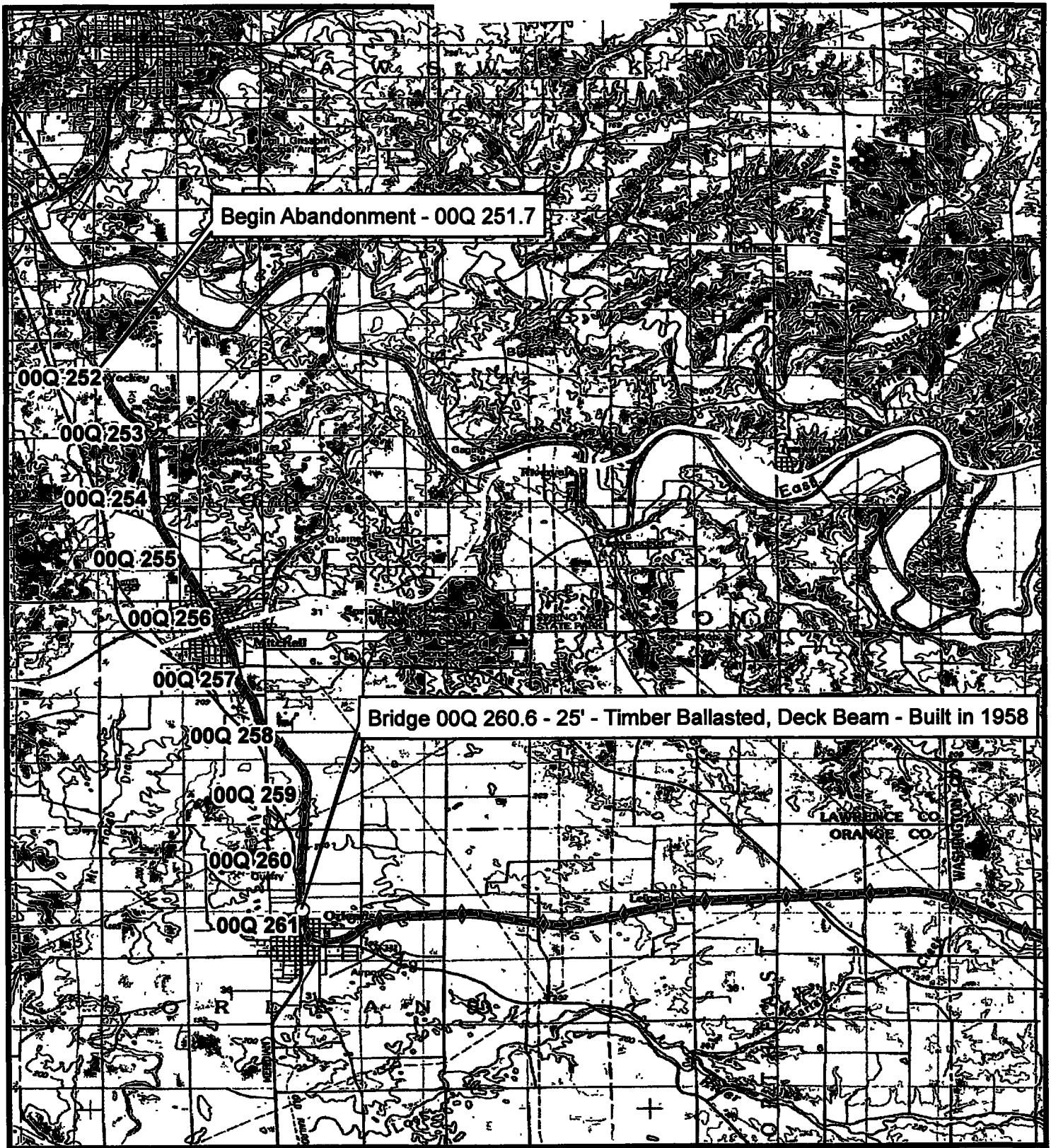






**AREA MAP**

**Proposed Discontinuance of Service  
on a portion of the Hoosier Subdivision  
00Q 251.7 (Near Bedford) to 00Q 314.0 (Near New Albany)  
a distance of 62.3 Miles +/- in  
Clark, Floyd, Lawrence, Orange  
and Washington Counties, Indiana**



**Legend**

**SUBJECT**  
**CSX**

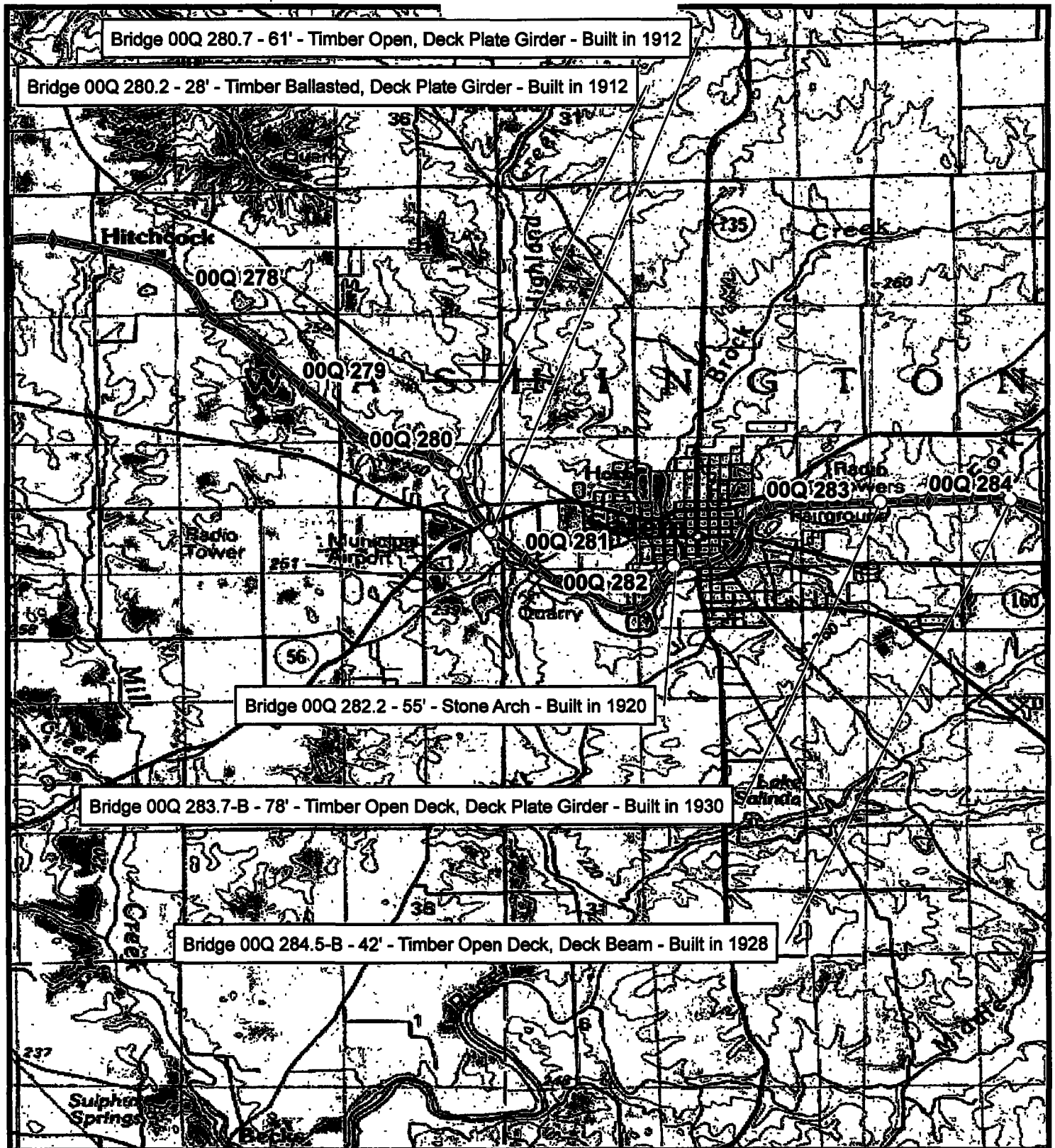
Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)

Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
**REAL PROPERTY**  
**GIS MAPPING SERVICES**  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009

# Attachment 4



## Legend

SUBJECT  
CSX

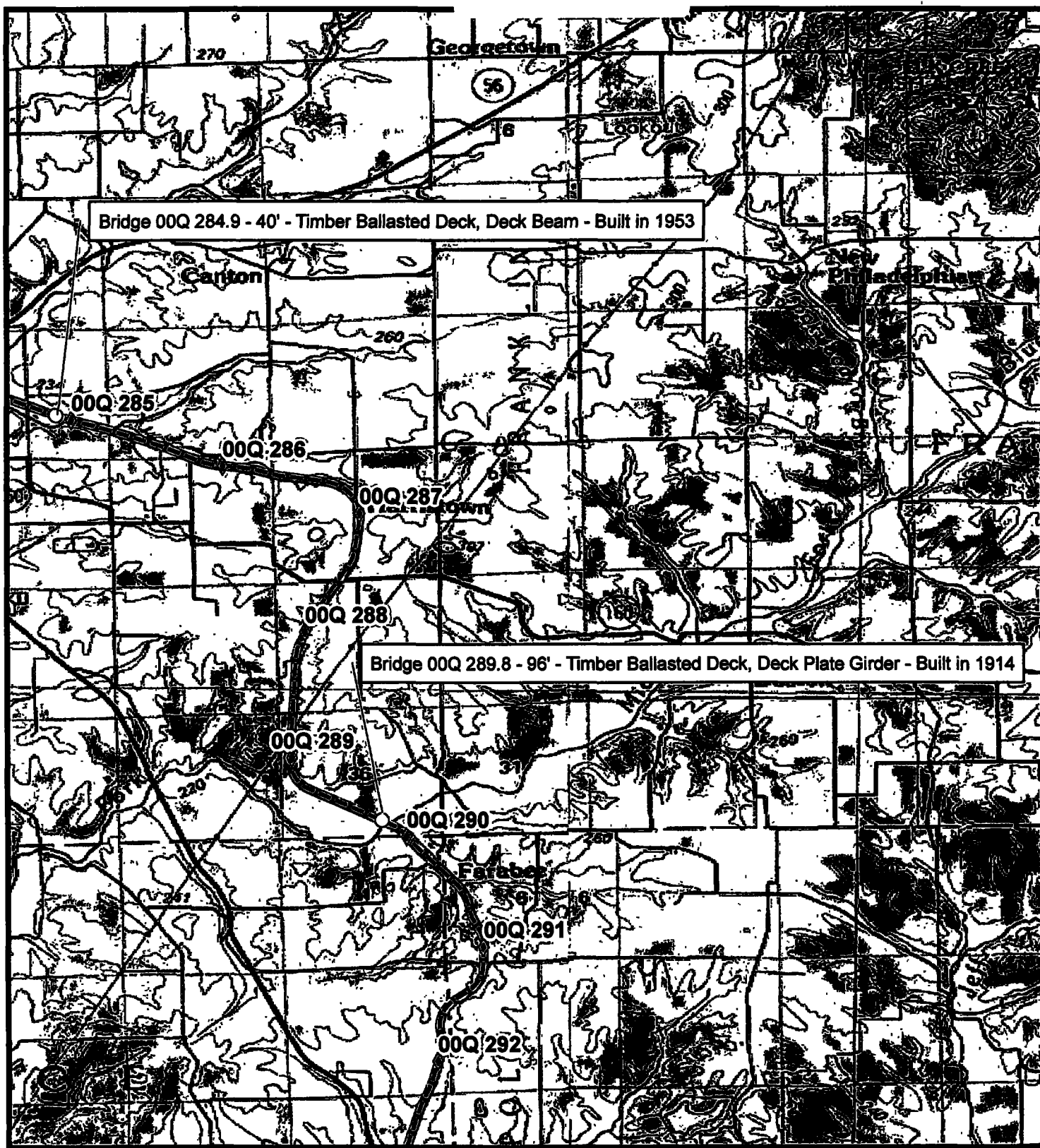
Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)

Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009





0 0.5 1 2  
Miles



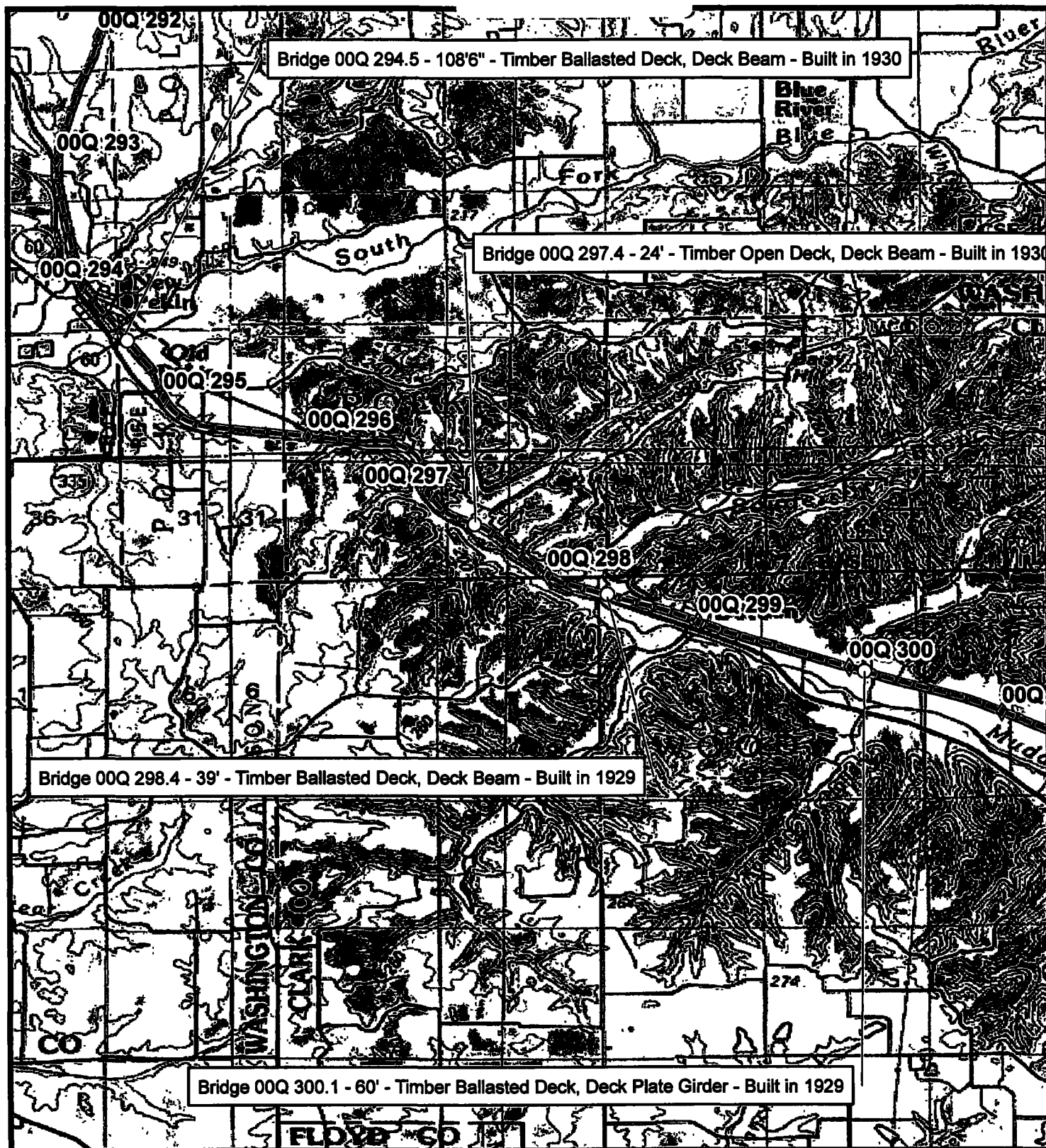
### Legend

SUBJECT  
 CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)  
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**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
Rev. Date: July 30, 2009



**Legend**

SUBJECT

CSX

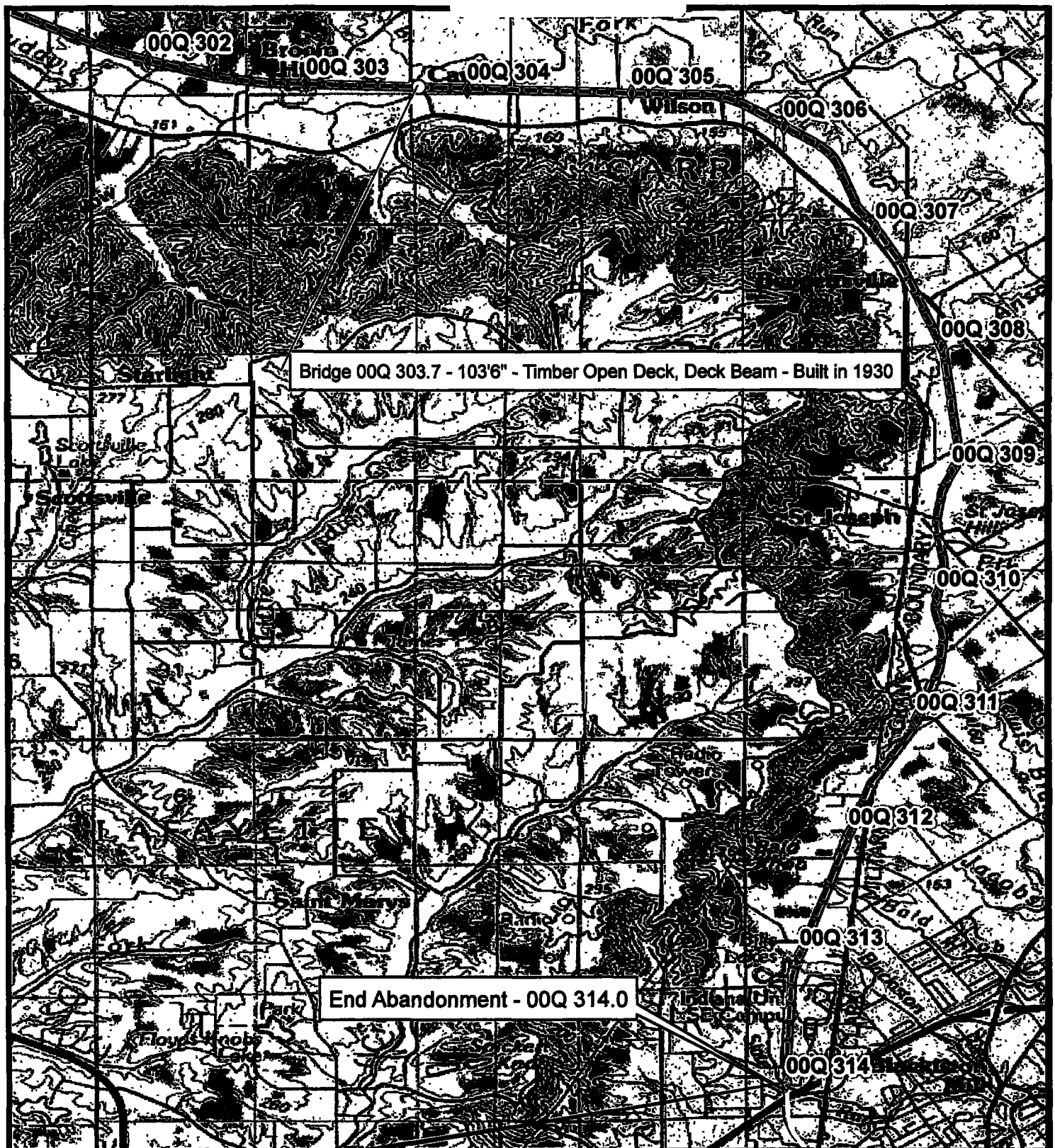
Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -

N38° 47' 19.79", W86° 29' 49.87"

Topo: USGS 100k BEDFORD Quad (USGS\_QD\_ID: 38086-E1)

Projection is: GCS\_WGS\_1984 - UTM Zone 16 (NAD83)

**CSX**  
 REAL PROPERTY  
 GIS MAPPING SERVICES  
 Drawn By: L. Fenwick  
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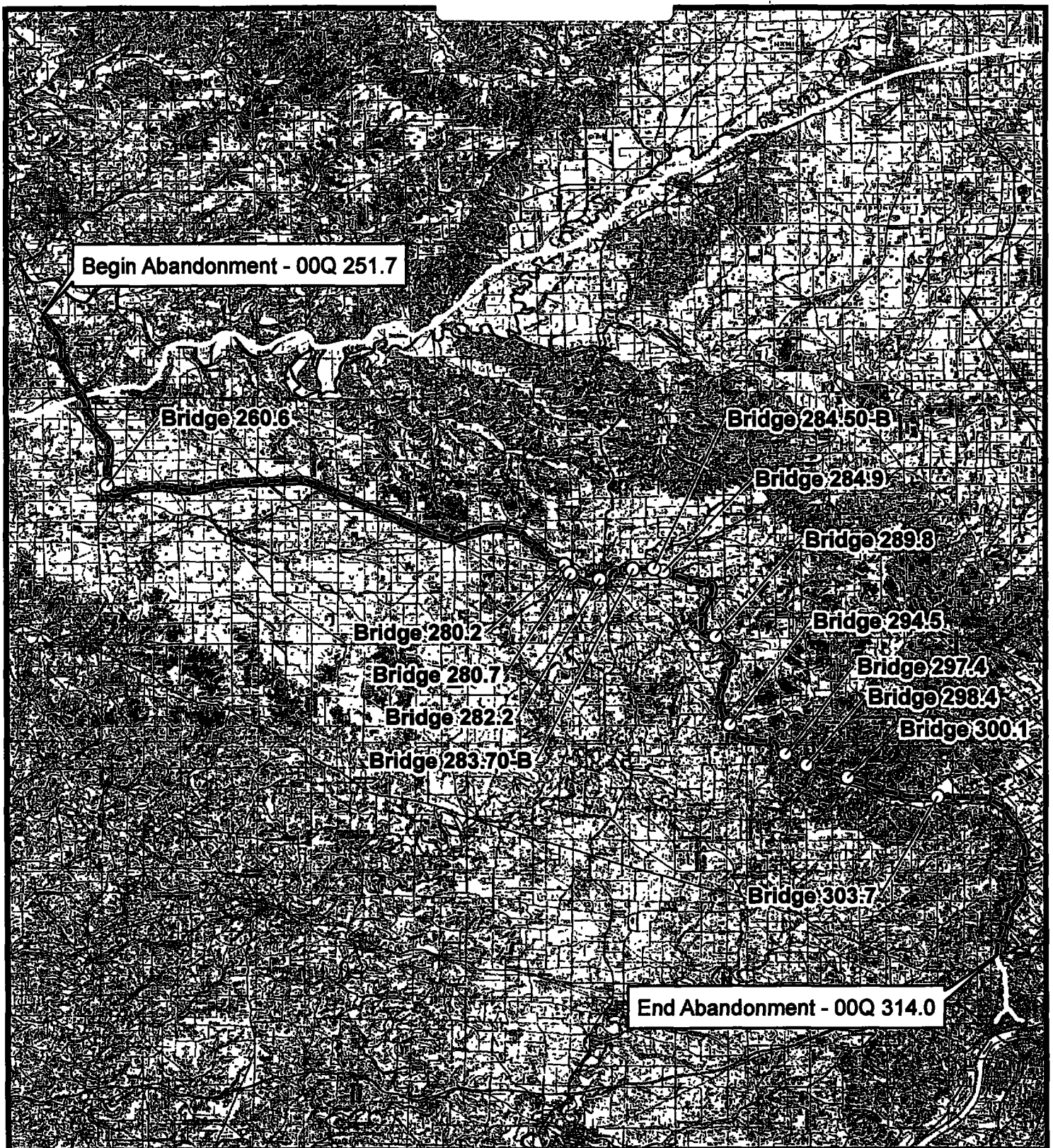


**Legend**

SUBJECT  
CSX

Approximate Latitude and Longitude at 00Q 251.7 - Hoosier Subdivision -  
N38° 47' 19.79", W86° 29' 49.87"  
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**CSX**  
REAL PROPERTY  
GIS MAPPING SERVICES  
Drawn By: L. Fenwick  
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0 2.5 5 10  
Miles



**Legend**

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